

# EIR

Executive Intelligence Review

August 8, 1997 • Vol. 24 No. 32

\$10.00

Even the U.S. press admits a crash is coming  
Russia's science: a strategic assessment  
Bush League 'defector' tells of plot vs. LaRouche

**The Ugandan hell behind  
London's Museveni myth**



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*EIR (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 317 Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451. World Wide Web site: <http://www.larouchepub.com> e-mail: [eirms@larouchepub.com](mailto:eirms@larouchepub.com)*

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**In Mexico:** EIR, Río Tiber No. 87, 5o piso, Colonia Cuauhtémoc, México, DF, CP 06500. Tel: 208-3016 y 533-26-43.

**Japan subscription sales:** O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 3208-7821.

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**Postmaster:** Send all address changes to *EIR*, P.O. Box 17390, Washington, D.C. 20041-0390.

## From the Associate Editor

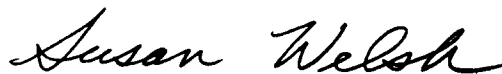
**I**t seems that even Mexico's Zapatistas, the narco-terrorist insurgents, are preparing for a financial crash. They took part in a conference in Madrid at the end of July, which, according to the Mexican newspaper *La Jornada*, discussed "the foreseeable Wall Street crash . . . which will have planetary consequences." And, even American establishment media are finally informing the public that the stock market boom is heading for a bust.

If you are a new reader of *EIR*, you may find all this astonishing, and frightening. But regular readers have seen it coming for a long time, and have either been supporting Lyndon LaRouche's efforts to put a solution to the crisis in place, or have been struggling within themselves over whether or not to support those efforts. Now is the time to stop hesitating.

This is the decisive period in history. LaRouche's solutions are well known to those in policymaking positions. The solutions will work, if they are adopted in time. But this will require a dramatic change in axiomatic beliefs. Can it be done? In a speech in New York City on July 27, LaRouche emphasized that such a transformation occurred after the Japanese attack on Pearl Harbor, and it can occur again. "I remember being in New York City on Dec. 7, 1941," he said. "I was here on business, on an employment opportunity. It was a Sunday, in the lobby of the hotel. I heard the voice of the President. And, I saw an immediate, fundamental, instant transformation; in a couple of hours, and attitudes from coast to coast were changed. People were looking for recruiting stations. The reactions were sudden, and fundamental, and sweeping. In times like these, that's what to expect."

We are not facing just a boom-bust cycle in the financial world, but the collapse of civilization, the onset of a Dark Age.

In this issue, see the *Feature*, by Linda de Hoyos, on what that Dark Age looks like already, in Uganda—the World Bank's "model economy." The *Science & Technology* section, by LaRouche, addresses the question of what must be done to reverse the collapse of Russian science, in the interests of both that nation, and the world. In *International*, Mary Burdman reports new developments on the "Land-Bridge" front—the Great Project of the 21st century.



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**Correction:** See p. 62 for a correction concerning the frame-up of Jacques Cheminade.

Also, due to an editorial error in our body-count, Robert McNamara was mistakenly referred to as "the late" former World Bank President, in *EIR* of July 25, "Prince Philip Deploys 'Anti-Corruption' Weapon," p. 60.

**Photo and graphics credits:**  
Cover, pages 36-37 (Schori, Payne, Winter, Sachs), 57, EIRNS/Stuart Lewis. Page 6, EIRNS/Jolanta Sypien. Page 11, NASA. Pages 16, 17, EIRNS/Rachel Douglas. Pages 29, 36 (Herzog), Bundesbildstelle. Pages 30-32, 41, 47, EIRNS/John Sigerson. Page 48, EIRNS/Birgit Vitt. Page 64, Courtesy of *Today*.

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Lyndon H. LaRouche, Jr. responds to a "provocative commentary" in *Nature* magazine by Russian physicist and former Science Minister Boris G. Saltykov. LaRouche situates the crisis in Russian science, within the context of the global economic collapse. Without understanding what makes a healthy economy "tick," no sensible approach to science policy can be discovered.

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## Even the U.S. press warns, a market crash is coming

by Marcia Merry Baker

Readers of *EIR* are familiar with what has led up to the financial crisis now breaking out simultaneously at different points around the globe—from the Southeast Asian currency devaluations, to the mid-summer stock market madness in Europe and the United States. Over the last 20-30 years, a gigantic “bubble economy” of financial speculation has grown up, at the expense of the physical economy; and, the “Great Bubble” is beginning to burst.

Warnings and reports on this, with a focus on the looming crash in the stock markets, are now appearing regularly in capital cities around the world. For example, the London *Sunday Times* of July 27, ran the headline, “Brace Yourself for the Crash of '97.” The hold-out, is still Washington, D.C.; but even in the United States, the media “money” columns have begun to offer advice on “self-protection” measures for the coming crash.

Paramount to understand, is that there is, and will be, no contained “regional” or “local” run on a currency, or contained bank failure, or contained stock exchange “correction” episode, or any kind of containable blow-out. The era of “managing” such incidents as the Mexico crisis (1994), the Barings Bank crisis (February 1995), and others, is over.

When we see reports of such incidents, we are seeing the process of disintegration of the entire world financial system. You can't even do “trend analysis” in the same way as before—stupid as it was. Take the stock markets. We are in an “ex-research” phase, as was stressed by the *Frankfurter Allgemeine Zeitung*, a leading German daily, in its July 25 coverage of a new report by Morgan Stanley investment bank, predicting a major stock market “correction” over the next 12 months.

It can be clearly stated, says Morgan Stanley, that stock market prices have completely decoupled from economic

fundamentals. Stock market prices are now “ex-research,” meaning that any assessment of economic perspectives of specific companies is now totally irrelevant for anticipating their future stock prices.

### Crisis events of the day

In July, the Thai currency, the baht, fell 23.6% in value; the Philippines peso, 6.9%; the Indonesian rupiah, 5.3%; and the ringgit of Malaysia, 4.1%.

On the major stock markets, European analysts, generally, forecast a collapse in August, or possibly October. The European media project an imminent collapse of 20, 30, or 50% of the values on the New York Stock Exchange. This likelihood arises from the ricochet process that will inevitably ensue, when markets crash anywhere in the world, then cross-connect, then roll back to New York.

The major U.S. and European markets are now in a phase of hysteria, with bettors trying to hog all the profit they think they can get.

The Dow Jones “industrial” average is up by 28% this year to date, exceeding its rise of 26% during 1996. On July 31, it hit 8,254.89.

Germany's DAX index has gone up by 50% this year to date. In the first four months of 1997, more money was invested in German stocks, than in all of 1996. On July 23 alone, the DAX rose 4.15% (with a record 3.5 million transactions); this surge came the day after a TV special give tips on how to get in on the stock boom.

Other markets are wild. In the Netherlands, the homeland of the Tulip Bubble (which burst in 1637), the Amsterdam Exchange index has increased by 52% since January.

Historically, October has been a frequent month for a crash, for reasons of timing, including the fact that the govern-

ment fiscal year ends on Sept. 30 in many countries; October marks the beginning of the second half of the fiscal year in Japan; it is the time for release of half-year corporate earnings, and so forth.

But beyond all this, there is the Big One—the derivatives markets. These markets represent the second level of the collapse process, an even deeper level of threat to blow out the banking and financial system. Forecasters are discussing whether a derivatives blowout will happen during the period of August through December 1997, or sometime later in 1998. The notional valuation of outstanding derivatives contracts is put at \$60 to 100 trillion internationally.

### Press coverage of the ‘crash of ’97’

- On July 23, the *Frankfurter Allgemeine Zeitung*'s lead article was headlined, “Fear Is Spreading Among Emerging Stock Markets; Now Also Latin America Is Facing the Currency Problems of Other Regions. Will There Be a Domino Effect Like the Mexico Crisis of 1995?” The article reported on worries at stock exchanges around the world, “that the present currency crisis in Southeast Asia could create disasters at more and more stock exchanges in the emerging markets by a domino effect.” What started in Thailand, Indonesia, and the Philippines, has also weakened currencies in eastern Europe, and, in recent days, Brazil, Argentina, and Mexico were following with heavy stock market upheavals. “The IMF [International Monetary Fund] has already started emergency actions and is advising several countries in their crisis management. Leading analysts are already speaking of a renewal of the 1995 Mexico crisis, and warn investors of a potential crash risk,” in particular that the huge capital flows into the emerging markets “could easily be turned around,” it said.

Among the “crash prophets” cited, is the super-cautious Deutsche Bank Research agency, which is now expecting many more “Thailands,” and giving Greece as an example of a hot candidate in this respect.

- On July 27, the London *Sunday Times* ran the story, “Brace Yourself for the Crash of ’97.” Writer David Smith predicted, “October is shaping up to be the cruellest month on the world stock markets.” Smith began his warning to readers writing as if from the vantage point of January 1998, looking back on the crash that had happened on “Black Tuesday of October 1997.” At the very least, the article concluded that, as of August, “Some severe turbulence is overdue.”

- On July 26, the *Frankfurter Allgemeine Zeitung* ran a front-page editorial, warning of the crash consequences of current “high-altitude ecstasy” on the stock markets. Written by Jürgen Jeske, the article reported on the recent stock speculation hysteria in Germany, warning, “A stock market plunge always comes suddenly. If you look at the history of the big crash in 1929, there are certain striking similarities: the overall euphoria, the growing wish to buy financial assets, the run-up on new stocks, the utilization of the favorable market

climate to issue new stocks, the takeover speculation. . . . Because the present euphoria is driven by huge liquidity, which cannot flow in forever, the danger of a backfire is growing.”

- The Aug. 4 issue of *Time* magazine ran a cover headline, “Stocks—Preparing for the Crash.” A three-page business section article, by Daniel Kadlec, titled “Wall Street’s Doomsday Scenario,” reviewed contingency plans by U.S. government and mutual funds “Crashmeisters” to manage the crisis. Kadlec wrote that “even with all the adjustments since the ’87 crash, another meltdown is quite possible.” The chief Crashmeisters are the members of the President’s Working Group on Financial Crisis. But the *Time* review gave the best details on the managers of the mega-mutual funds companies, who are taking precautionary measures that are as insane as the buildup of the stock bubble to begin with. They are staging drills and practice-runs for the crisis ahead.

For example, Fidelity Investments (over \$500 billion in investments) says that it can double its phone-line capacity in a crisis, dropping down extra cables now stored in the ceiling of its cafeteria. “During the past year, Fidelity has paid particular attention to crisis planning, ‘More dry runs, more computer simulations to make sure equipment is working, information is disseminated quickly, and lines of credit are reconfirmed with our banks,’ says Robert Pozen, president of Fidelity Management and Research Co.”

Vanguard (managing \$300 billion) has a “bear-market task force.” Reported *Time*, “To prepare itself, Vanguard has built an off-site ‘war-room’ loaded with phones, and has a ‘Swiss army’ of about 1,000 telephone representatives that can be deployed almost instantly, doubling the firm’s call capacity.” John Brennan, CEO of Vanguard, can activate his war-room whenever an emergency hits, “to field frantic calls.”

- *Money* magazine, in its August issue, ran the cover story, “Don’t Just Sit There . . . Sell Stock Now!” The cartoon shows a man seated on the crest of a gigantic ocean wave, just about to crash. The magazine, whose July issue said “Sell Now!” advertises on the cover: “Risks are rising. Take profits by cashing in 20% of your shares. Our 24-page special report tells you what to do next.”

Inside, a two-page graph shows three lines, the Dow Jones “industrial” average, corporate profits, and equity funds flows. The scenario is that, beginning now, the Dow will fall from a level of 8,000 down to a level of 6,200 by this time in 1998. Why? “Since 1995, strong flows into funds have made the stock market race ahead of corporate profits.” So, analyst Michael Sivy, of *Money* magazine, says: Selectively sell your stocks. What about the whole financial system, you ask? Don’t worry, Frank Lalli, managing editor of *Money*, says in an editorial, “Check your stocks today, and sell some of your runaway winners, so you’ll have plenty of cash to invest the next time the market becomes the screaming bargain it was three years ago.”



# European floods demonstrate the need for infrastructure

by Anna Kaczor Wei

During the last few weeks, the population of Central European countries was reminded, in a very dramatic way, of the importance of modern infrastructure for their own survival and the development of their countries. Raging waters of the Oder River and its tributaries covered 600,000 hectares of land in Poland, 42% of the territory of the Czech Republic, and caused a lot of problems in Slovakia and Germany.

Now, people in the devastated areas in Poland are asking

themselves: Shouldn't we have anticipated something like this, because, according to the Main Anti-Flood Committee, during the last years the sum spent on necessary maintenance of levees and other flood-control infrastructure constituted only 30% of what was required? Shouldn't we have demanded that the old levees along the Oder River, most of which were constructed 90 years ago, be modernized and extended? They look with envy at the southern region of Podhale, which was spared the disaster thanks to the dam at Czorsztyn on the Dunajec River. It had prevented serious flooding already last year, and this time, according to Parliament Deputy Wojciech Blasiak, protected at least five towns from an unpleasant bath.

Deputy Blasiak noted that the only positive outcome of the tragedy is a renewed interest in great infrastructure projects, such as the one he had presented during the Warsaw Schiller Institute conference in April, which includes regulating the Oder and connecting it via canal with the Danube, thus opening a waterway from the Baltic Sea to the Middle East, and giving people more control over the water system. To make a point about the importance of infrastructure, during the debate about what went wrong when the flood hit the Polish cities, the Polish daily *Rzeczpospolita* published an article praising an Austrian program of flood control on the Danube, which allowed the citizens of Vienna to sleep in security, while people in the Polish cities of Wroclaw and Opole were forced to evacuate and could only watch the destruction helplessly.

## The range of devastation

The range of destruction is almost unimaginable. About 100 people lost their lives. In Poland, about 25 out of 49 administrative districts have been affected, about 400,000 hectares of arable land contaminated and destroyed. Nearly 600 kilometers of rail tracks suffered different categories of damage, 137 bridges and 200 rail bridges will have to be rebuilt or repaired, 600 schools and numerous hospitals will have to be made functional again. All in all, 85 cities and 875 villages will have to be partially rebuilt, as well as about 3,000 kilometers of river dikes and other water-management infrastructure—of which 2,000 kilometers of river dikes were proposed for overhaul by the National Accounting Office in 1994.

About 15,000 Polish households have lost everything, and another quarter-million households report considerable



*Schiller Institute delegation marches in a Solidarity demonstration in August 1996. The banner in the upper left calls for a "sovereign economy to protect the family." The Schiller Institute is calling for a national reconstruction program, in response to the floods (see EIR, Aug. 1, p. 7).*



material losses. Unofficial estimates speak of \$5-7 billion as being required for the economic reconstruction, of which at least \$1 billion will be required for the farm sector.

In the neighboring Czech Republic, 42% of the national territory has been affected, including areas with a traditionally high concentration of manufacturing and transport infrastructure, and a corresponding high population density, in the northwestern and northeastern regions of the country. About 900 kilometers of rail tracks have been damaged, and 700 kilometers of overland power lines. About 10,000 households have lost everything, another 110,000 report heavy or considerable damage, at least 23,000 homes will have to be rebuilt or restored to a significant degree, and at least 100,000 hectares of arable land have suffered from the flood. Unofficial estimates from Prague speak of damage in the range of \$4-6 billion. In Germany, the damage along the Oder River so far (the disaster is not yet over, because new flooding is expected) is in the range of \$1.5 billion.

### Time to reconstruct

In all affected countries, huge infrastructure-building programs in water management and flood control, such as dams, levees, and canals, would cost an estimated \$20-30 billion. It is evident that such sums cannot be allocated out of existing austerity budgets, but will have to be provided by classic methods of state-guaranteed generation of reconstruction credits — as has traditionally been done in reconstruction periods immediately after a war.

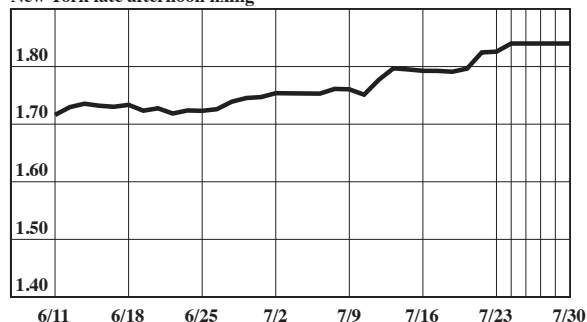
The Polish government and the Parliament decided to take a \$300 million loan from the World Bank, and to open a modest \$750 million credit line from the National Bank for the purpose of reconstruction. However, opposition leaders worry that even this little money will be spent for current budgetary expenses (there is a serious budget crises in the country) rather than rebuilding infrastructure. What was said by free market Finance Minister Marek Belk, praising the government at the beginning of the catastrophe for not planning to spend too much money, is symptomatic of the kind of thinking imposed by the International Monetary Fund and other financial institutions. As long as governments live in this monetarist bondage, any serious reconstruction program, along the lines of the Eurasian Land-Bridge project proposed by Lyndon LaRouche, will be impossible.

However, the flood has encouraged the anti-free trade forces to raise a voice against the neo-liberal dogma which labels the state “the main enemy of citizens,” and to discuss the idea of a nation-state and the common good. A columnist in a major Polish newspaper noted with irony that all orthodox neo-liberals should have praised Prime Minister Włodzimierz Cimoszewicz for saying that people without proper insurance will not be reimbursed for their losses (a statement for which he later apologized). In the face of the latest tragedy, the “every man for himself” idea seems to have lost all popularity in Poland.

## Currency Rates

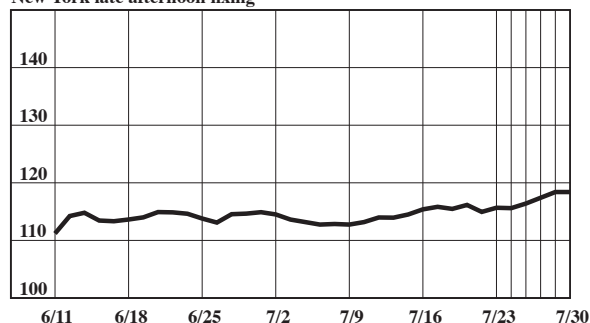
### The dollar in deutschemarks

New York late afternoon fixing



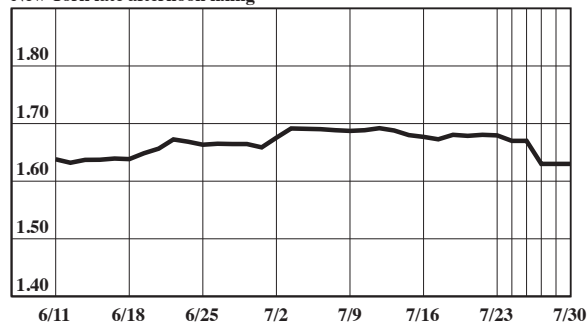
### The dollar in yen

New York late afternoon fixing



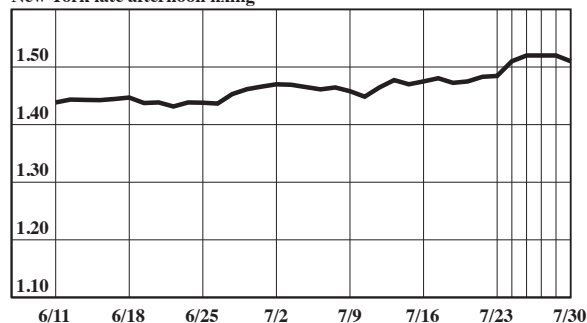
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# Business Briefs

## Health

### Austerity budgets kill Australia hospital care

Staff from at least two major hospitals in New South Wales have given up trying to cope with the overload of patients which had forced them to treat life-threatening cases in corridors and in emergency waiting rooms, as the hospital system collapses because of the Mont Pelerin Society-dictated austerity measures.

Staff at the emergency department of Royal North Shore Hospital in Sydney, declared that no more patients would be treated in corridors—whatever the need. The head of the emergency department, Dr. John Vinen, described the struggle to cope with more patients on budgets that get smaller (under the guise of “efficiency savings”), as “much worse” this year.

The Newcastle Mater Hospital north of Sydney also had at least 10 patients being cared for in the emergency department. The senior manager had been unable to move them to empty beds in the medical wards, because she was told that under no circumstances could she overrun her budget.

“The situation comes to a point where you are unable to unload ambulances when they turn up,” said Dr. Vinen. “They close beds to save money or because of lack of staff.”

## China

### Taiwan forbids certain investment on mainland

On July 15, Taiwan’s Ministry of Economic Affairs announced the implementation of its new edition of “principles for examination of investment or technological cooperation on the mainland,” forbidding investment in infrastructure and other development projects in mainland China, the newspaper *Chung-Yang Jih-Pao* reported. Under this insane policy, the only investment allowed will be in hotels, amusement parks, and other “service” industries.

The principles forbid investment in 13

kinds of capital construction projects, including railways, highways, ports, city water, sewerage, airports, rapid transit systems, and incinerators (capable of handling more than 300 tons of garbage daily), and power generation (except gas-electric type and hydroelectric plant with a capacity under 20,000 kw), power transmission, power distribution, and industrial development projects. Housing projects, banking, insurance, and 17 kinds of manufacturing industries, including ethylene, have been redefined as “forbidden projects.”

The ministry said that 756 kinds of “manufacturing” projects will be allowed, including “cement, hotel, tourist service, amusement park, warehouse, business agents, bath house, rental service, designing, photo printing, and other recreational and service industries.” The total amount of investment will also be limited—not to exceed 60 million new Taiwan dollars for individual and small and medium-size enterprises.

## Iran

### Rafsanjani sums up his reconstruction effort

Speaking to the Majlis (parliament) on July 22, outgoing Iranian President Ali Akbar Hashemi Rafsanjani expressed his hope that the Majlis would cooperate with incoming President Mohammed Khatami, as it had with him. Referring to the past eight years of his Presidency, known as the reconstruction era, Rafsanjani said that although his five-year plans (which began in 1988) had been considered “ambitious” in some quarters, in reality all the planned projects have been implemented.

The most severe problem Iran faced initially, he said, which was lack of manpower, had been overcome. The budget deficit, which had been 51% in 1988, had dropped to zero, and Iran now had a budget surplus and foreign currency reserves. Inflation, he said, stood at 1.5% monthly, and unemployment had dropped from 16% to 9.1%.

Rafsanjani said that Iran was among the top countries worldwide in “the implementation of projects in the areas of gas, oil, petrochemicals, dam building, urban sewage,

power generation, agriculture, fisheries, animal husbandry, poultry farming, forestry, heavy and light industries, security, road building, laying railways, airport establishment, transportation, and defense,” the Iranian daily *Ettela’at* reported. He identified projects in social insurance and health care services, as those to be followed up by the incoming government.

## Egypt

### Mubarak government abrogates land reform

All hell has broken loose in the Egyptian countryside, since the Mubarak government made known that it would implement measures in October to disenfranchise farmers. The decision had been made five years ago, on demands of the International Monetary Fund (IMF), to abrogate the land reform which Egyptian nationalist Abdul Nasser had introduced, but only now has the government said it will take effect. The measures dictated by the IMF have been accepted by the Mubarak government in the context of a broader privatization agreement. Six million Egyptians, including farmers and their families, will be directly affected.

Under the reform, no landowner was allowed to possess more than 50 feddayns of land. This measure in recent years has not been applied, but it was still on the books. Tenant farmers were protected by rent ceilings; they had the right to cultivate what they wanted, and they could not be thrown off the land. Now, rents will be liberalized, to follow the “laws of the market.” Landowners will have the right to expel tenants, without cause. And, the new measures include lifting all subsidies and government guarantees. Tenant farmers will no longer enjoy subsidized prices for inputs (seed, fertilizers, machinery), nor will the government buy up a certain percentage of the harvest, at fixed prices.

Mass protests have broken out all over the country, particularly in rural areas, led by the opposition parties—the Labor Party, the Nasserites, and the Group of Progressive Forces. Hundreds of peasants and activists have been detained by the police as a result.

**TURKEY'S** Deputy Prime Minister Bulent Ecevit said that the Developing-8 agreement forged by the previous government of Necmettin Erbakan, will be expanded by the new government, in an interview with *Hurriyet* on July 22.

**THE NUMBER** of appeals to the Salvation Army from gamblers in the state of Victoria, Australia, has risen 400% in the last four years, to the highest level in 100 years, a spokesman said. Victoria's Premier and Mont Pelerin Society darling Jeff Kennett has heavily encouraged gambling, which now provides the state more than 12% of its revenue.

**THE LABOR-INTENSIVE** policy of "sustainable development will lead to the death of 2 billion people worldwide," if implemented in agriculture, Prof. Erling Strand, "the old man" within the agricultural establishment in Norway, wrote in a letter to the editor in the Norwegian paper *Aftenposten* on July 24.

**A DEVELOPMENT** center was set up in Yinchuan, the capital of China's northwestern Ningxia Hui Autonomous Region, on July 17. It will build a "Western science and technology corridor," develop new industries, attract foreign investment, and increase cooperation between western and eastern China.

**GEORGIA** and Turkey have agreed to build a 127-kilometer, \$250 million rail link between Akhalkalaki, Georgia and Kars, Turkey, Interfax news agency reported on July 26. Work will be completed in three years, and it will carry an initial 10 million tons of freight annually. Costs are expected to be recouped in five years.

**SOUTH AFRICAN** JCI Ltd., the world's sixth-biggest gold mining firm with net assets of \$2.3 billion, is poised to establish a big presence in Australasia beginning in August, and expects strong expansion in the region. "There are some incredibly cheap companies around, particularly in the gold sector," one official said.

The Labor Party is circulating a petition to reverse the decision, for which they hope to collect a half-million signatures. Broad popular support for the farmers is visible. Black flags are being hung on houses, as a symbol of protest. Under this pressure, some landowners have opted for ad hoc negotiated agreements with farmers, on a local basis.

Adel Hussein, of the Labor Party, stressed in remarks to *EIR*, that, if the government were rational, it would use this spontaneous social resistance, to say no to the IMF. Instead, it seems to be going for confrontation. Hussein also said that the opposition movement is calling for cooperation between Egypt and Sudan, for food production.

## Labor

### South African unions strike against austerity

Over 100,000 public sector workers took part in strikes in Pretoria, Cape Town, Durban, the Free State, and the Eastern Cape, on July 25. Although the strikes are nominally over wage increases, the trade unions are strongly opposed to the British-instigated economic plan now being pursued by the government of President Nelson Mandela.

At the end of its executive committee meeting in June, the Congress of South African Trade Unions (Cosatu) announced a series of regional and national strikes as part of its campaign to push its demands before the Basic Conditions of Employment bill becomes law. The bill is part of the government's Growth, Employment, and Redistribution (GEAR) austerity program, and would allow Labor Minister Tito Mboweni wide discretionary powers to lower labor standards.

Cosatu argues that it is the overall macro-economic policy that is primarily responsible for the lack of jobs and job losses. The Central Statistical Service said in July that 71,000 jobs were lost in 1996; the GEAR scenario forecast an average of 270,000 new jobs a year.

In July, the Pan Africanist Congress

backed Cosatu, insisting that the country's growth strategy under GEAR is "totally unsound." In a policy document, the political party insisted that the state must "participate in the economy as an owner of economic assets which are used to drive economic development to promote the economic and social empowerment of Africans," and must "engage in well-defined infrastructural investment programs."

## Central Asia

### Turkey's Demirel backs new Silk Road

Turkey's President Suleyman Demirel spoke of the importance of the "Silk Road," in a speech at the "Issyk-Kul '97 Forum," sponsored by Unesco, in Bishek, Kyrgyzstan, on July 17. Demirel said that a stable, peaceful, and prosperous Central Asia will be a bridge for cooperation and friendship between Europe and China. Central Asia, he said, constitutes a geographic and economic link between China and the Mediterranean region, and it will again play its historic role, and harmonize different cultures and contribute to international peace.

Meanwhile, the directors of railway companies of Iran, Turkey, Pakistan, and five Central Asian republics signed an agreement on rail cooperation in Istanbul on July 17, the Iranian daily *Ettela'at* reported. The agreement included exchange and supply of freight cars and containers, and cooperation in stabilizing charges for rail services and equipment. Special tariff rate-reductions of 70% were granted to Turkey, Syria, Iraq, Lebanon and Iran, and Kyrgyzstan and Uzbekistan will also get preferential rates, said Hormoz Qotobi, deputy head of Iran's State Railroad Company. He added that the meeting was intended to facilitate transport of goods via Iran to Central Asia and to Europe.

Turkish Railway Company director Tekin Cinar said that the agreement will further expand relations, and that the Mashhad-Sarakhs-Tajan rail link is the most important one for Turkey to Iran and Central Asia. Nations signing the pact included Turkmenistan, Kazakhstan, Azerbaijan, Uzbekistan, and Tajikistan.

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## Russia's science: a strategic assessment

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*Lyndon H. LaRouche, Jr. situates the crisis in Russian science within the context of the global economic collapse. Without sound economics, no sensible approach to science policy can be discovered.*

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July 20, 1997

Boris G. Saltykov, Director of the Russian House for International Scientific and Technological Cooperation in Moscow, has contributed a provocative commentary to the 3 July edition of the publication *Nature*. My best estimate is, that what he offers would be received by most among *Nature*'s readers as today's putative wisdom respecting the highlights of the recent trends presently shaping the fate of Russia's science. Except for his stress on the collapse of funding for Russia's science, since 1991, his account overlooks the most crucial issues: 1) Whether, under the present policy trends indicated by Saltykov and others, the precipitous, post-1991 collapse of Russia's former leading position in the ranks of scientific competence, will not be arrested until Russia's science has been collapsed to "Third World" levels; and, 2) Whether Russia's economy, and even its national existence, could survive the present trends toward that asymptotic collapse of Russia's science toward the "Third World" standards.

At the present moment, since the radical 1989-1991 developments within the former Comecon sector, the former thermonuclear-adversary blocs are both converging upon the brink of a rather different kind of Hell, than that prospect of thermonuclear Armageddon, which occupied the nightmares of the 1950s and early 1960s. Today, the accelerating drumbeat, of financial, monetary, and economic crises, around the planet, as punctuated by ominous events of the type of the present holocaust in Central Africa and current famine in North Korea, portends an old-fashioned kind of Hell: an echo of feudal Europe's Fourteenth-Century "New Dark Age," a new rampage by the legendary "Four Horsemen of the Apocalypse." This ongoing, threatened descent into a global "New Dark Age," must be seen by statesmen everywhere as the

fundamental strategic issue threatening each and all nations at the present time.

There is one point of crucial similarity between this and the earlier prospect of thermonuclear holocaust: the presently approaching hoofbeats of the "Four Horsemen," is also a man-made disaster, not a natural one, not a mischance bestowed upon mankind by some mad Olympian god casting dice. The thermonuclear holocaust was a product of the combined influence of the common circles of Bertrand Russell and Thomas Huxley's follower H.G. Wells, who saw the development of nuclear arsenals as supplying that terrifying weaponry which would impel nations to abandon national sovereignty for a new *Pax Romana* under world government. The immediate authorship of the past three decades' drift toward a New Dark Age, is also the work of perverted, influential circles of ideologues, including the networks of the same Bertrand Russell who, after the death of Wells, was left to play the leading initiating role in creating the age of nuclear-weapons terror.<sup>1</sup>

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1. Bertrand Russell, *The Bulletin of the Atomic Scientists*, September 1946. Despite the popularly received opinion, that Russell's use of Leo Szilard, Eugene Wigner, et al., to induce Albert Einstein to send his famous, relevant letter to President Franklin Roosevelt, was prompted by Niels Bohr's report of the 1938 work of Otto Hahn, Russell crony H.G. Wells' anticipation of nuclear-fission power and nuclear-fission weaponry antedated Hahn's experiments by as much as decades. Wells' scientific source was the writings of Frederick Soddy, a collaborator of Rutherford. The renewed, post-World War I collaboration between Wells and Russell was centered in Russell's public adoption of Wells' 1928 *The Open Conspiracy: Blueprints for a World Revolution* (London: Victor Gollanz, 1928). This was the document which launched the post-World War II project for launching a "New Age," a project in which Russell's own 1938 founding, at the University of Pennsylvania, of his and Robert Hutchins' Unification of the Sciences project played a central role inside the United States.



*Cosmonaut Aleksandr I. Lazutkin, flight engineer aboard the Space Station Mir, May 20, 1997. The man-in-space program presents the best example of the kind of "science-driver" program needed to reverse Russia's economic decline.*

The present phase of the descent toward a New Dark Age, has been developed by aid of sundry agreements and ukases, including those of the International Monetary Fund (IMF), and that "sorcerer's apprentice," Professor Jeffrey Sachs, who never failed to ruin the economy of any nation which tolerated his advice. The present slide of Russia and other nations toward possible extinction during an emerging New Dark Age, is a horror designed by mankind, which will not be undone by any means but mankind's reversing of those presently hegemonic, bad policies which have brought this strategic threat upon us: policies which still, at the moment, continue to dominate, and worsen the present global situation.

That economic situation, is the real-life cockpit in which the issues of Russia's science are located; only by defining those issues in that location, could we pose the sane questions which might lead to useful answers. Under the presently apocalyptic, global economic circumstances, to discuss science policy without situating the subject so, smells of the unwashed virtual reality of the hesychast, not the spirit of scientific reason.

My own direct encounters with the situation of science inside post-1991 Russia developed during the years 1993-1994, through the rather wide circulation of both English copies and Russian translations from my 1984 introductory textbook in the science of physical economy,<sup>2</sup> and a series of

2. Lyndon H. LaRouche, Jr., *So, You Wish to Learn All About Economics?* (New York: New Benjamin Franklin House, 1984. Second edition: Washington, D.C.: EIR News Service, Inc., 1995).

meetings with some relevant key personalities and institutions in Moscow.

On both the side of Russian institutions, and my own side, these contacts were conditioned, at least in significant part, by my earlier contacts with certain institutions of the Soviet government. Notable earlier channels of contact with Soviet scientific institutions, from the mid-1970s and later, began in connection with the work of my associates and me around the development of inertial-confinement modes of thermonuclear fusion. The contacts involved the relatively highest political level, through my later efforts, as a private U.S. citizen, to secure new dimensions of scientific and economic cooperation between the U.S.A. and U.S.S.R. The latter contacts occurred through the medium of a back-channel discussion I held with a representative of the Soviet government, on behalf of President Reagan's administration, during a twelve-month period beginning February 1982. On this latter account, I became the subject of prominent attention in the Soviet press and highest levels of other Soviet institutions, beginning Spring 1983, reaching extraordinary intensity, under General Secretary Gorbachev, during the Summer and Autumn of 1986.

Presently, although I oppose the eastward extension of NATO, I sympathize with President Clinton's expressed view of Russia itself. I, like the President, am committed to Russia assuming its proper position as an integral part of continental Europe, as well as a state with an important special situation in Eurasia.

Also, for me and my immediate associates, Russia is an

## Saltykov and the decline of Russian science

Boris G. Saltykov, a physicist, was Russia's minister of science and technology, from the formation of the first government of post-Soviet Russia, in 1991, until August 1996, when the Ministry of Science and Technology was temporarily (until its restoration in March 1997) downgraded to a state committee. Saltykov then moved to the Russian House for International Scientific and Technological Cooperation. His political affiliation is with the "Russia's Democratic Choice" (RDC) party of Yegor Gaidar, the Russian premier in 1991-93, whose imposition of "shock" price deregulation and other radical free-trade policies sent Russian industry, consumption, and science into a tailspin. A fellow member of the RDC is current First Deputy Premier Anatoli Chubais, designer of the privatization program under which Russian industry has been asset-stripped.

In his commentary, "The Reform of Russian Science," in the July 3, 1997 issue of *Nature*, and in a speech to last February's annual meeting of the American Association for the Advancement of Science (AAAS), in Seattle, Saltykov has outlined the drastic shrinkage of R&D spending, state subsidization of science, and scientific employment in Russia. He did not mention some of the more stunning events, such as the Oct. 30, 1996 suicide of Academician Vladimir Nechay, director of the elite Chelyabinsk-70 nuclear research lab, who shot himself after having had no

funds with which to pay his staff for five months.

From a peak level of 3.2 million scientists and science-related service workers, employed in the Russian part of the Soviet Union in the late 1980s, such employment has fallen to 1.3 million persons, Saltykov told the AAAS. This is a decline of science employment by nearly 60%. Almost 25,000 Russian scientists have emigrated or are otherwise working abroad. Inside the country, Saltykov wrote in *Nature*, the remainder of the drop took the form of an "internal brain drain," the "exodus of scientists and engineers towards new or modernized parts of the domestic economy such as commercial banks, financial and legal companies, and the telecommunications industry."

From 1991 to 1996, R&D spending fell by 70%. Last year, Saltykov wrote in *Nature*, state-funded science and technology programs received only 25-30% of the allocated funds.

In his February speech and July article, Saltykov expressed the hope that "funding from abroad" would help Russian science to survive. He himself is involved with foreign finance, as a board member of the Open Society Institute-Russia, one of international speculator George Soros's many projects in the former Soviet Union. When Soros is not fending off charges of bashing the currencies of nations, from Italy to Thailand and back, he flaunts his largesse as a Maecenas for ex-Soviet science, but the most visible part of Soros's activities in Russia is merely the promotion of Internet access. Since October 1996, Boris Saltykov has attended, in person or by video-conference, the launches of University Internet Centers in Vladivostok and in Rostov-on-Don, the third and fourth of 32 UICs planned by the Soros network.—Rachel Douglas

important selection of U.S.A. partner in joint efforts, together with other nations, in fostering the natural role of Eurasia as the center of initiatives which are essential to the recovery of the planet's economy. I mean durable recovery from those tornadoes of financial, monetary, and economic crises, the which are presently hitting financial centers around the world with a rising frequency and general intensity. For this work, the most prominent partners of the U.S.A. and Russia include the two giants of Asia, China and India.

Since 1993, my contacts, and those of my immediate collaborators, with Russia's scientific institutions, have been fruitful in respect to defining needed alternatives, even though needed support for these proposals, from relevant sections of the international community, unfortunately, has yet to materialize.

From this vantage-point, the prospect which Saltykov outlines for Russia's science, must be seen as unacceptable. His perspective for Russia's science, is directly contrary to any

policy which might allow a reversal of the present, horror-stricken process of economic collapse gripping that nation. The included object of any sane U.S. policy toward Russia, and also Eurasia as a whole, is to provide, largely from within Russia itself, the reassembly of the scientific support essential for Russia's urgent economic-recovery requirements. I summarize the most crucial issues, first, in a broad-brush, practical overview, and, thereafter from the stickier, but not the less indispensable epistemological vantage-point.

### Measuring economic performance

If we measure input and output of national economies in terms of *physical-economic* market-baskets of infrastructure, and of producer and consumption goods, no leading industrialized economy of the world has sustained net economic growth during any part of this century, except under three conditions: technological mobilization in preparation for anticipated major warfare, conduct of such warfare, or rebuild-

ing economies ruined by such warfare. The only significant qualification of this statement, is, that high-intensity space-exploration programs have been proven a substitute which is equal to, or superior to military science-driver programs as such, in fostering high rates of technology-driven gain in the productive powers of labor for the economy considered in its entirety.

The post-1989-1991 transition, from the Soviet Union to Russia, contains all the elements of this type of experimental-scientific fact. It is from this standpoint, that the economic reconstruction of Russia should be examined. It is from this standpoint, that Russia's priorities in science policy, and U.S. encouragement of those policies, ought to be defined.

The market-baskets employable for this measurement are defined per-capita of total labor-force, per household, and per square kilometer of the relevant area of the Earth's surface. The market-baskets are of three principal types: infrastructure, producers' goods, households' goods. The contents of the market-baskets are of two general types: hard (physical products as necessary to permit improvement in the productive powers of labor), and soft (education and related cultural, health care, and scientific services). Other costs may be treated, for convenience, as if they were actually or approximately "frictional" in their functional characteristics.

The functional constraints adopted in such functional analysis, are productive and demographic. The rate of productivity of labor, as measured in per-capita values of all three types of market-baskets, must improve for the labor-force as a whole. The potential relative population-density and demographic characteristics of households, must improve. To offset technological attrition, the power-density per capita and per square kilometer, must increase. The maintenance of a constant or improved ratio of output to input, under these constraints, is the definition of constant or better profitability of the economy, when that economy is considered in not less than its entirety.

The irony, that military end-products are chiefly destroyed, rather than inputs to the productive process, illustrates the principle which is relevant here. A summary description of the architecture of a modern science-driver program, for military or space exploration, is sufficient for our discussion.

The increase of mankind's per-capita mastery of nature, above the potential of several millions individuals attributable to "aboriginal" man, corresponds to a million or more years' accumulation of discoveries of validated principles of nature, including the invention of spoken language, of plastic arts, and of principles of human cognition itself. The reenactment of original such discoveries, as by students, transmits efficient knowledge of this inheritance as knowledge, rather than as mere learning. The mental experience of such reenacted discoveries, in approximation of the same modes of mental life we associate with crucial discoveries in experimental physics, as by students, is the means by which knowledge of past

discoveries of principle, is transmitted from the interior of one mind to another's, down through the ages.

This method of acquiring knowledge, through reenacting the mental processes of an original discovery, not only brings about the transmission of inherited discoveries accumulated from the past. This form of education, and related nurture, fosters the development of the individual's ability to control and direct those mental processes, by means of which additional validatable discoveries of principle may be generated by that individual to the advantage of present and future generations.

In the practice of modern experimental science, the design of experiments is crucial. A relatively perfected design of validated proof-of-principle experiment, thus serves as the model of reference for the development of corresponding new families of machine-tool and product designs. The rate at which such experimental progress is occurring, and transformed into improvement of product and productive process, determines the general rate of realized technological progress, and of rate of increase of the per-capita productive powers of labor.

This approach to science-driver military and related "crash programs" of economic development, was introduced to modern practice by France's celebrated "Organizer of Victory," Lazare Carnot, that in collaboration with his former teacher and friend Gaspard Monge. The further development of Carnot's approach to "science driver" programs was in the U.S.A., under President Abraham Lincoln, establishing the U.S. economy of the 1860s and 1870s as the most technologically advanced in the world. This was the model adopted by Germany after 1876, the model which the U.S. also provided its leading ally, Czar Alexander II's Russia, the Russia of D.I. Mendeleev and Count Sergei Witte. This was the model revived, in a limited way, by the U.S.A., for its part in World War I, and revived, in a more thorough way, for World War II. This is also the model implicit within the "crash program" work of the Soviet military-scientific industrial sector. This is the model of the science-driver space-program. Looking backward to the Renaissance, this was already the model implicit in the life's work of Leonardo da Vinci.

The functional character of this model is supplied a conceptual structure through application of the principles of a purely physical geometry, as outlined in Bernhard Riemann's 1854 habilitation dissertation.<sup>3</sup> Each discovered principle corresponds to a physical dimension of such a geometry, a principle whose addition to knowledgeable practice, supersedes the previously established scientific hypothesis, of  $n$  dimensions, by a new hypothesis reflecting the characteristic of  $n+1$  di-

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3. Bernhard Riemann, *Über die Hypothesen, welche der Geometrie zu Grunde liegen*, *Bernhard Riemann's Gesammelte Mathematische Werke*, H. Weber, ed. (Vaduz, Liechtenstein: Sändig Reprint Verlag Hans R. Wohlend), reprint of Dover Publications' own reprint (New York: 1953) of the B.G. Teubner edition of 1892-1902, pp. 272-287.



mensions. Thus, the resulting increase in implied mathematical cardinality, if it yields an increase in the per-capita productive powers of labor, is a measure of the anti-entropy (physical-economic profitability) of the economic process so driven.

Thus, two distinguishable considerations apply to the productive process. First, the Riemannian knowledge-intensity of the technology being applied. Second, the rate of increase of that knowledge-intensity. For modern industrial society, this process should be viewed, especially for the science-driver cases, as a flow of knowledge-intensity from combined education and scientific discovery, both through the minds of educated persons entering the labor-force, and through the realization of validated designs of proof-of-principle experiments through the machine-tool-design sector. It is as the two flows converge upon the points of the productive process (and product design), that the identified Riemannian function is expressed as physical-economic anti-entropy.

Thus, in calculating the effects of a military sort of “science-driver” “crash program,” we must examine the balance between the loss to the economy on account of the economic waste represented by destruction and obsolescence of military goods, against the gains to the same economy represented by the “spill-over” of advanced technologies, through the machine-tool-design sector, into the products and productive processes of the economy as a whole. Thus, as this was measured during the middle of the 1970s, the costs of the U.S.’s 1960s space-program were a small fraction of the net increase in U.S. wealth caused by the “spill-over” of the “crash program’s” development of space technologies, into the U.S. economy generally.

With one qualifying reservation, the performance of Russia’s science-driven military-industrial sector was outstanding. This is dramatized by the relatively poor performance of the Soviet economy outside its military industrial sector. Anyone who has any grasp of the achievements of Soviet science in the military, aerospace, and related sectors, can more readily appreciate the fact, that the Soviet failure was not the fault of Soviet science, but rather the morbid, stubborn resistance to implementing high rates of technological progress on the side of the Soviet economy’s non-military sector.

Nor was the higher rate of “spill-over” into the civilian economy, which was realized in the U.S.A., or Germany, for example, the result of the “Adam Smith model.” Directly the contrary; the superior achievements in “spill-over,” in the U.S.A., most notably, or in the case of President Charles de Gaulle’s temporary revival of France’s economy from the Balzackian morbidity it had achieved under the Fourth Republic, were not the fruit of “free market” policies, but directly the contrary; the successes were the fruit of a Colbert-Carnot tradition of dirigism.

The method responsible for the Twentieth-Century successes of the U.S. economy’s military and space “crash programs,” was always to put “free trade” in a dirigistic cage for

the duration of the national-defense emergency. The method was to channel available capital and credit into scientific “crash programs,” including large infusions into the machine-tool sector, especially the machine-tool-design sector, to force massive infusions of capital into the public sector’s development of basic economic infrastructure, and to force high rates of capital-intensive, power-intensive modes of technological attrition, from the science and machine-tool sectors, down the throats of industry in general. Credit controls and other drastic measures of governmental direction were included as essential ways of preventing Wall Street from ruining the economy in Wall Street’s habituated ways.

The U.S.’s great economic depressions came when the period of emergency was ended. The economic collapse came naturally, as soon as Wall Street was freed from the shackles of dirigism, and permitted to go back to its old parasitical, monetarist ways.

The fault of the Soviet economy was not its lack of emphasis on “free trade.” Only an idiot, after studying closely the economic history of both Czarist Russia and the Soviet Union, from the aftermath of the British and French aggression in the so-called “Crimean War,” through to the 1962 missiles crisis, could sincerely deny that it was always the progress achieved during periods dominated by dirigism, which saved Russia and the Soviet republic, repeatedly, from either semi-colonial status, or outright obliteration. The relative economic inferiority of the Soviet system as a whole, lay in the social and political, and, above all else, the back-breaking cultural burden of tradition. These frictional forms of resistance to progress, fostered impediments to the non-military sector’s use of the spill-overs from the military and space sector’s science-driver forms of dirigism. “Free trade” ideology, more recently introduced, has already demonstrated, yet, once again, its seemingly exhaustible, magical, inherent powers, for making everything, anywhere, worse.

### **Modern national economy**

The often overlooked central fact of modern economy, is that, since the establishment of the first approximation of a modern nation-state, in Louis XI’s France of 1461-1483, the growth of population, and improvement of demographic characteristics of households, not only in Europe, but globally, has progressed at rates unprecedented in all earlier history, and adducible pre-history. The immediate cause for this radical improvement was cultural: the replacement of the world’s domination by what Classical Greek culture knew as the “oligarchical,” or “Persian” model, by the persisting net influence, until the mid-1960s, of what is fairly named the “republican,” or “national-economy” model.

Prior to this change, which originated in western Europe out of the 1439-1440 sessions of the great ecumenical Council of Florence, the world was dominated by forms of culture in which government was run on behalf of financier or landed oligarchies (or, both); ninety-five percent of the population

was kept in the relatively bestialized state of actual or virtual cattle. The “Malthusian” Code of Diocletian, typifies those oligarchical traditions. In the republic, the nation-state is established for the benefit of each and all of the whole people, including its posterity. This latter policy, that of Gottfried Leibniz, is embedded prominently as the fundamental law of the U.S.A., within the Preamble of the U.S. Federal Constitution; that policy was a direct outgrowth of Platonic Christianity’s notion of the individual person as made in the image of the Creator.

Thus, the new form of nation-state, the republic premised upon principles of national economy, fostered the emergence of policies of universal humanist forms of education, as modelled, during the late Fourteenth into Sixteenth Centuries, upon the work of the Brothers of the Common Life. Similarly, the right of the person to employ those developed mental powers in ways consistent with the natural requirements of a being made in the image of the Creator, combined increase of popular education with state promotion of growth of technological progress in infrastructure, agriculture, and in industry. In short, the national economy was committed, from its beginnings, to a dirigistic approach, an approach which already contained the germ of the modern “crash program,” the science-driver model summarily identified above.

The failure of the League of Cambrai to decapitate the feudalist adversary of the modern nation-state, the adversary whose head was then Venice, enabled Venice to organize a repertoire of divide-and-conquer (e.g., “balance of power”) counter-offensives. This Aristotelean counter-offensive, resulted in the emergence of the neo-Aristotelean (Ockhamite), Paolo Sarpi’s, Anglo-Dutch, empiricist model of nation-state, in which two leading, mutually opposing forces, republican and financier-oligarchical, struggled for domination of the national, and international society which combined them both. This is the state as viewed, if only axiomatically, by Paolo Sarpi’s contemporary, the Malthusian Giovanni Botero.<sup>4</sup> So, science-driven economic progress was condemned to a kind of Manichean self-degradation, in the bed of usury. This persistence of this morally unwholesome, degrading cohabitation of two hostile forces, republican and oligarchical, this mating of two opponents which had no principle in common, is known today as modern European “liberalism.” It is otherwise known, sometimes, as the American pragmatism of William James and John Dewey, or, simply, the principle-free ideology of Bernard Mandeville’s “Fable of the Bees,” the fable which, as today’s IMF-sponsored tyrants inform their looted victims, is called “democracy.”

The root-issue of the insoluble inconsistency of these respective republican and oligarchical factions, is an absolute

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4. Giovanni Botero (1544-1617), an agent of the House of Savoy, accurately identified by Joseph Schumpeter’s *A History of Economic Analysis* (New York: Oxford University Press, 1955) as responsible for the introduction of Malthusian thinking into Seventeenth-Century England.

difference in the conception of both the human individual and of mankind. The one, the republican, conceives the individual as made in the image of the Creator, this by virtue of that gift of the developable potential for Reason, the which is the essential distinction of man from beast. The oligarchical standpoint, is typified by the empiricism of such English political assets of Venice’s Paolo Sarpi as Francis Bacon and Thomas Hobbes: man the beast, man “each in war against all.” For empiricism, that notion of “human nature” which depicts individual man as a beast, the mainspring of the individual’s personal character is deemed to be nothing but the legendary “Seven Deadly Sins.”

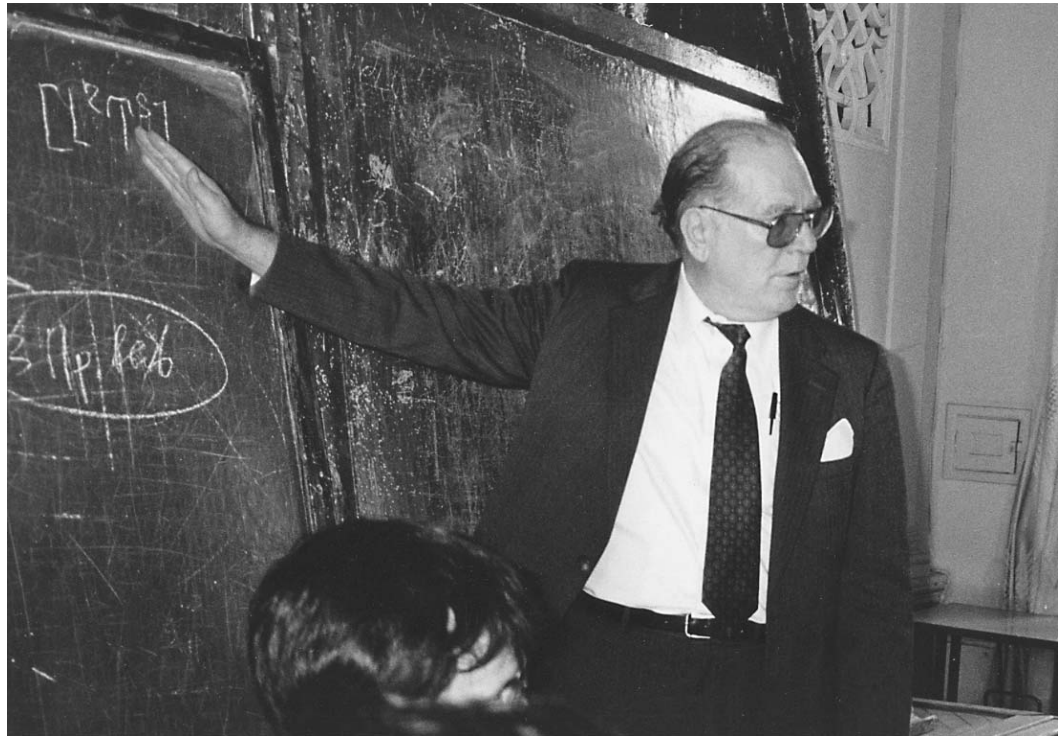
The oligarchical view of “human nature,” that of Hobbes, Locke, Mandeville, François Quesnay, Adam Smith, Jeremy Bentham, et al., coheres with a “two-tier society,” in which as much as ninety-five percent, or more, of the total population is subjected to conditions, as under the Code of Diocletian, approximating cattle, as in the Physiocratic schema of Quesnay and the tradition of those Seventeenth-Century feudal reactionaries, the *Fronde*, which Quesnay’s ideology echoed. This is the degraded view of “human nature,” typified in ancient Greece by Lycurgus’ Sparta. This is the proto-Malthusian, proto-Darwinian view of “human nature,” which is already presented in the Code of Diocletian, and in the notion of the nation-state proffered by Giovanni Botero.<sup>5</sup>

In summary: the difference between the patriots of the United States of America, and the British monarchy first established in 1714, is an irrepressible conflict between republicanism and oligarchism, a conflict rooted in that same fundamental difference, respecting the practical definition of a universal “human nature,” which has persisted in European civilization since the time of the conflicts between Solon and Plato, on the one side, and the oligarchical faction, of Babylon, Tyre, and Sparta’s slave-society, on the opposing side. This historic difference is, in principle, the same today, as it was during the U.S.’s wars against Britain, during 1776-1815, and during the fostering of the cause of the Confederate States of America by Queen Victoria’s ministers Lords Russell and Palmerston. It is a conflict which could be removed at such time as the British Commonwealth were to abandon its perverse, oligarchical misconception of “human nature.”

One of the most insightful views into the modern British empiricist’s oligarchical misconception of “human nature,” is provided by Jonathan Swift’s fictional account of the visit of his Lemuel Gulliver to early Georgian England, to the land of the Houyhnhnms, where lordly horses reigned over their bestialized, humanoid serfs, the Yahoos. In order to establish a durable form of society, where lordly oligarchs rule, it is indispensable to impose upon the culture of the subjugated classes of person, the self-image and cultural traits of the beast. Thus, when the Houyhnhnms discovered that human

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5. See Botero’s appendix, *Delle cause della grandezza e magnificenza della città* to his *Della ragion di stato* (Venice: 1588; London: 1606).



*Lyndon LaRouche lectures at the Russian Academy of Sciences, April 28, 1994, under the auspices of Pobisk G. Kuznetsov's "President" program.*

Gulliver was capable of expressing ideas, they intended to castrate him, lest his presence might lead to a variety of Yahoo which could think, and thus imperil the local oligarchical rule. So, the racist Houyhnhnms, the eugenicists of today's Harvard University's Black Studies program, have played a leading role in promoting an argot called alternately "Black English," or "Ebonics," which they recommend as consistent with the alleged genetic predisposition of Africans for associative-emotional, rather than cognitive behavior.

From the outset, the new form of society emerging around the figure of France's Louis XI, was vastly superior to all society before it. This superiority was measurable in terms of the relationship between the society and nature, as measured both as expressed in per-capita of labor-force and per-square kilometer of the relevant surface-area of the Earth. Thus, even though the oligarchical forces were able to force degrees of cohabitation upon national economy, the per-capita power of the new form of national economy so far exceeded that of any other form of society, that western European civilization quickly emerged as the dominant influence for change throughout the planet as a whole. Thus, the two-fold struggle, between national economies and older cultural forms (the "modernization" issue), as it impacted Russia's history, in particular, on the one side, and the struggle between republican and oligarchical forces within the emergent modern European civilization itself.

With the ruin of France by the successive regimes of Robespierre, Paul Barras, and Napoleon Bonaparte, over the course of the 1789-1814 period, the mantle of world leader-

ship in national economy passed then, as if by default, to the young, then terribly isolated, Federal constitutional republic of the United States. This U.S.A. was a nation itself also besieged from within, by that building storm between republican and oligarchical factions, which was later, fatefully expressed by the great Civil War of 1861-1865. From the time of President Abraham Lincoln, the U.S.A. was the leading influence for modern economy and political institutions world-wide.

This tradition of Benjamin Franklin, George Washington, the Clay-Carey Whigs, and Abraham Lincoln, has been the continued, underlying tradition of the U.S.A., despite those "dark" periods during which the U.S. itself was dominated internally through the oligarchical faction's takeover of top-down control over U.S. political institutions. Such a dark period, was the case for three decades, beginning the 1901 assassination of patriotic U.S. President William McKinley, and accession of an oligarchic spawn of the defeated Confederacy, President Theodore Roosevelt,<sup>6</sup> and, later, Teddy Roosevelt's choice, also a spawn of the Confederacy, President Woodrow Wilson, who launched the national revival of the Ku Klux Klan, in 1915, from the U.S. Executive Mansion.<sup>7</sup>

6. Theodore Roosevelt's maternal uncle, Cuba-filibusterer Captain James D. Bulloch, was the Civil War-period head of the Confederacy's secret service in Europe, and was, later, the mentor of Theodore Roosevelt's political thinking and career.

7. The occasion was the White House showing of the first Hollywood feature film, *The Clansman*, later retitled *The Birth of A Nation*. The production



*Pobisk Kuznetsov (second from right) listens to LaRouche's presentation at the Russian Academy of Sciences. "Pobisk Kuznetsov's debating point with me," LaRouche writes, "was his argument, which I opposed, to the effect that the principles of physical economy might be demonstrated at the blackboard, in the language of contemporary mathematical physics."*

The strategic conflict between the British "free trade" system, and the U.S. constitutional form, the "American System of political-economy," has been the ultimately determining issue of world politics, from the Congress of Vienna to the present day.

Any attempt to comprehend the internal policy-making of the U.S., which does not locate this in terms of the continuing affray between U.S. patriotic and oligarchic factions, the latter as typified by "Wall Street," is an utterly nonsensical (and usually "leftism"-rooted) grasp of both U.S.A. policy and internal politics, and of the decisive strategic issues of current world history. Inside, and outside the U.S.A., the only important, strategic issue of current history, continues to be the conflict between the "free trade" system, and the "American system." All other issues are, historically, merely "balance of power" or other forms of strategic diversions from the central questions of current history since 1814.

To understand Russia's position in world history, one must put one's finger on the twofoldness of the determining issues of both Russia's internal and strategic position: tradition versus modernization, and the pro-nationalist, versus the pro-"free trade" policy of the modern European financier-oligarchical model, these as typified by the tyrannical, current

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and distribution of this pro-Ku Klux Klan propaganda-film involved the Goldwyn and Mayer of the later firm of Metro-Goldwyn-Mayer. Wilson's glowing review of the film was decisive in making possible the subsequent recruitment of an estimated five percent of the adult U.S. population to membership in the Klan which was revived from its inception by this rabidly racist propaganda-film.

looting policies of Adolf Hitler's intellectual clones at the IMF and World Bank. Here lie those ironies of world history, the which have confronted Russia's scientific community since the adult lifetimes of Czar Alexander II, D.I. Mendeleev, and Count Sergei Witte.

### Science as politics

The Russia side of the issue of science as politics, was epitomized in a Spring 1994 Moscow seminar jointly addressed by the celebrated Pobisk Kuznetsov and myself. Kuznetsov had praised, publicly, the presentation of physical economy in my 1984 textbook. He had indicated, in his appreciation of this, that he had been part of a special, and highly secret Soviet task-force, established during the late 1970s, which had reached conclusions similar to my own. He elaborated on this latter point during his opening presentation at that seminar.

However, there was a significant point of difference between us, as expressed by his opening remarks, and also my own, during that evening's event. On this point of difference, we both were united, and divided on the matter, by a debt, which both of us shared, to Russia's V.I. Vernadsky.

Pobisk Kuznetsov's debating point with me, was his argument, which I opposed, to the effect that the principles of physical economy might be demonstrated at the blackboard, in the language of contemporary mathematical physics. With that proposition, one is confronted with the division of modern science, between the current of Leibniz, Carnot, Monge, Gauss, and Riemann, on the one side, and Hobbes, Newton,

Lagrange, Laplace, Cauchy, Grassmann, Clausius, Kelvin, Maxwell, and the modern logical positivists, on the opposing side. On this, I, like Riemann, stand in opposition to the relatively more popular position today, the formalist position defended by my friend Kuznetsov, in that debate.

Since Paolo Sarpi, the institutions of modern science have been corrupted, increasingly, by the dicta of Aristotle and William of Ockham, in which it is arbitrarily, falsely assumed, that science is defined by the standpoint of the “contemplative” observer. This, of course, is the form of Ockhamite neo-Aristotelean tradition introduced, as “materialism,” into Soviet ideology by way of Paolo Sarpi’s Enlightenment. Exemplary is the case of that follower of Thomas Huxley et al., Darwinist Frederick “Opposable Thumb” Engels, whose conception of human nature (and, of the “class struggle”), both biologically and cognitively, reflects no axiomatic difference with the notion of Sarpi follower Thomas Hobbes. In opposition to this, my conception of human nature, and of the cognitive processes which underlie scientific method, is that of Leibniz and Riemann.

This is not a specifically Russian problem. It appears as a commonplace difficulty of even outstanding experimental physicists, who are sometimes reduced almost to babbling when called upon to derive an already experimentally validated discovery, not in the domain of experimental physics, but, instead, only mathematically, “at the blackboard,” that “in the language of today’s generally accepted classroom mathematics.” Had any among these perplexed physicists understood the leading implications of Bernhard Riemann’s 1854 habilitation dissertation, or, even the program which subsumes Carl Gauss’s design of his *Disquisitiones arithmeticae*, the nature of the absurdity which they had been called to perform on the blackboard should have been transparent to them.

All of this has much to do with the absurdity of the assumption of “linearization in the infinitesimally small,” the hoax first perpetrated as an attack on Leibniz’s calculus, by Abbé Antonio Conti’s London agent Dr. Samuel Clarke, an attack restated as a tautological fraud presented as proof, by Leonhard Euler, and continued, after Euler, by his Berlin successor J.L. Lagrange, as in the latter’s influential, 1797 *Théorie des fonctions analytiques*, by Augustin Cauchy’s famous castration of the calculus, by Hermann Grassmann, et al. In the effort to defend that article of positivist blind faith in linearity, many frauds have been perpetrated in official science, including the arbitrary projection of the so-called “Coulomb force” into the very small.

It is notable that the latter piece of costly foolishness, which did much to impede work in the field of inertial-confinement fusion, was a result which must be attributed chiefly, and directly, to the myths built up around the deliberate suppression of the Ampère-Weber “angular force” of electrodynamics. A similar case is to be made for the dismal effects of

the relative political success of the followers of Ernst Mach, during the period of World War I, inside Germany and Austro-Hungary, and during the 1920s sessions of the Solvay Conference, in their efforts to defame and distort the work of Max Planck, as their predecessors, Clausius, Grassmann, Helmholtz, Maxwell, Rayleigh, and Bertrand Russell, had perpetrated frauds in science out of politically-motivated zeal, directed, in this case, against Carl Gauss, Wilhelm Weber, and Bernhard Riemann.

This fallacy of “linearization in the small,” has a complementary expression, in the Hobbesian definition of “human nature.” Indeed, the origin of this popularized error of most modern mathematics instruction, has a political root in Paolo Sarpi’s efforts to orchestrate the banning of the scientific method of Luca Pacioli, Leonardo da Vinci, Johannes Kepler, and William Gilbert, from the practice of science.

The issue here, as it was for Immanuel Kant’s *Critiques*, is that Kant et al. deny the possibility of transmission of knowledge of principles of nature (for example) through cognitive replication of the same mental action through which an original discoverer had first generated validatable knowledge of that then-revolutionary discovery of principle. The issue, as in the fictional case of the Houyhnhnms’ decision to castrate Lemuel Gulliver, is to prevent the elevation of the lower classes which must occur if we are allowed to evoke the creative power of reason which awaits development from within them. For, if one admits that all persons have the potential for acts of creative genius in science and Classical art-forms, then it is both morally, and practically obligatory, that all children and youth be educated accordingly, and that investment in productive processes be steered to the effect of providing the quality of places of employment which are most suitable to adult persons whose innate potential for scientific and Classical-artistic contributions bordering upon creative genius, is being fostered in educational and related cultural policies.

The eradication of this empiricist’s and Kant’s metaphysical imposition of intellectual castration upon the Gullivers of science, as by the empiricist myth of “linearization in the small,” is an issue prominently, if but implicitly addressed within Riemann’s 1854 habilitation dissertation. It is also at the center of my own original discoveries in economic science, and is the facet of Riemann’s discoveries which first attracted my intense interest in his work. It is also key to the most crucial issues of understanding the nature and causes of the present economic crisis now threatening to push civilization over the brink, and, is also key to understanding the included epistemological problems which Soviet practice has bequeathed to the shaping of the science policy of Russia today.

That said, let us go directly to the crucial issue.

Both the modern nation-state, and modern experimental physical science, date from the middle of the Fifteenth Century, in a series of developments centered around the 1439-

1440 sessions of the great Ecumenical Council of Florence. These are the developments of that century otherwise known as "The Golden Renaissance." Although the roots of the modern nation-state are to be traced to the Classical Ionian Greek city-states and the Athens of Solon, Aeschylus, and Plato, the immediate origins of both the modern national economy and experimental physical science, are located in the Platonic current of European Christianity leading into the developments, centered in Italy, during the middle of the Fifteenth Century.

The notable forerunners of the Fifteenth-Century founders of the first modern nation-state, Louis XI's France of 1461-1483, include Peter Abelard, so-called "of Paris," and Dante Alighieri. Within the context of a struggle to free people from the tyranny of those imperial forms passed down from Mesopotamia, through the empires of Rome and Byzantium, there was a more profound issue: to create a form of society fit for the human individual as a Christian view of Plato's argument, specifically the view of the Apostles John and Paul, and of Augustinus later. It were otherwise impossible to understand such works as Nicholas of Cusa's 1433 *Concordancia catholica*, the key Fifteenth-Century writing shaping the definitions of the embryonic modern nation-state, or Cusa's 1440 *De docta ignorantia*, the first among a series of his writings which established modern experimental physical science, and supplied the definitions of scientific method adopted, and acknowledged by Luca Pacioli, Leonardo da Vinci, Johannes Kepler, and others.

The central thrust of the notions of statecraft generally, of law, of scientific and technological progress, which defined the republican current in modern history, is thus centered upon the Platonic Christian view of both the nature of the human individual, and of mankind's relationship to the universe. In other words, the reading of *Genesis* 1:26-28 from that Platonic, Christian vantage-point. Any contrary view of modern European civilization, would be absurd by virtue of fallacy of composition, and would substitute purely imaginary, ahistorical presumptions, in place of the actual facts of history as shown by rigorous study of both physical data and primary sources from the vantage-point of modern experimental physical science. We proceed with the relevant issues accordingly.

Look at the Christian appreciation of *Genesis* 1:26-28. That is to say, read this as it was read from the Platonic standpoint in culture represented by the Apostles John and Paul. From the vantage of Plato's Socratic method of hypothesis, what empirical basis exists for reading the advice, that man and woman, alike, are made in the image of the Creator (i.e., the "Composer" of Plato's *Timaeus*), and that, through this quality of the human individual, mankind is awarded dominion within the universe? What is the existent empirical evidence which such statements must reference? To suggest that this must signify that the mortal individual's body is cast in the physical image of the Creator, were a travesty, suited for

the beliefs of none but very silly children. What is the essential difference between man and the beasts, which could correspond to such an utterance as *Genesis* 1:26-28?

Look at the accumulated knowledge of principles of nature (including principles of cognition) which corresponds to mankind's increase of per-capita power in the universe. Look at this from the standpoint of Riemann's referenced dissertation. From that vantage-point, describe the preconditions for a student's reenacting, not at the blackboard, but within the sovereign precincts of that student's own, internal cognitive processes, the mental processes which must necessarily have occurred within the mind of the original discoverer.

In each such case, we begin with a devastating ontological paradox. On the one side, established scientific belief; counterposed to that belief, is undeniable evidence which should not be allowed to exist, if established scientific belief were not in error. Such a juxtaposition of belief and evidence, addressed from the standpoint of experimental physics, generates a true paradox, an ontological paradox of the same type presented by Plato's *Parmenides*. It is a paradox of the same type encountered as true metaphor in all important works of Classical plastic and non-plastic art. Behind every valid discovery of principle, in the entire corpus of science passed down to the present day, that principle was generated solely by

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means of a creative discovery, generated within the sovereign cognitive processes of an individual mind, a discovery produced as a solution to such an ontological paradox, a solution whose generation is replicated in other minds, such as the minds of students in a Classical humanist educational program, by the same means.

One of the well-known crucial experiments of this sort, is the estimate for the Earth's polar meridian, as defined by a correspondent of Archimedes who was trained by Plato's Academy at Athens, Eratosthenes. A true geodetic experiment was conducted by him to put to a crucial test the false assumption, that the underlying measure for the Earth's surface is a plane. The measurements demonstrated, in principle, that, at each point of tangency of such a plane of linear extension with a chosen place on the Earth's surface, within the smallest infinitesimal extension of that tangency, there existed an absolute mathematical discontinuity, reflected as an axiomatically non-linear "bending," requiring the Earth's surface to be viewed as a surface of a three-dimensional representation, not a two-dimensional one. This is, embryonically, a forerunner of Gauss's development of the application of biquadratic residues, to arrive at transparent comprehension of the physical significance of the complex domain, and a generalized notion of curved surfaces. These, in turn, provided the starting-point for Riemann's referenced 1854 dissertation.

This illustrates what should be understood as the import of Kepler's method in astrophysics, and Leibniz's development of a calculus intended to address the challenge of distinct types of even non-constant curvature, even such as the curvature which might underlie a specific type of ordering, defining a corresponding sequence (e.g., Leibniz's *Analysis Situs*) of families of mutually distinct catenaries, as would be implicitly detectable in the infinitesimally small.<sup>8</sup> Such latter notions of hypergeometries, lead into more general considerations under Leibniz's rubric of monads. This is the standpoint, for physics, of Riemann's referenced dissertation.

Reconsider Pobisk's assertion from this vantage-point. Can science be rightly practiced from the vantage-point of persons contemplating the apparent behavior of the physical domain as such? It ought to have been clear, but for the heavy ideological indoctrination with which the Aristoteleans and empiricists have saturated the textbooks, classrooms, and minds of their victims, that such a contemplative view is axiomatically absurd. There is no science, short of a view of the

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8. Hence the travesty of the limited mentality exhibited by inveterate plagiarist Augustin Cauchy, in his celebrated use of Ockham's Razor to castrate, and thus render infertile, the Leibniz calculus. As Kepler faced this problem of calculating orbits corresponding to relatively small intervals of observation, and as Gauss achieved celebrity in attacking the problem of adducing the asteroid orbits, Leibniz had defined the challenge of the calculus to be: to determine the curvature of a process within even an infinitesimal zone of tangency, not only non-linear curvatures, but also non-constant (e.g., hypergeometric) ones.

universe which includes the efficiently practiced, increasing domination of that universe by mankind. It is the proneness of the universe, as it were by design, to submit to certain willful potentialities of the creative powers of the individual human intellect, which shows us the actual nature of the laws of that universe. In that sense, the ideological myth of "objective science," must be replaced by a mastery of the principles of human cognitive subjectivity, a study conducted from the vantage-point of discovery of new physical principles through the work of experimental physics.

It is not the nature of man, to function in production, or in any other way, as a harnessed horse, ox, or Yahoo might obey commands from his overlords. Cattle may be of value, but they do not produce economic value: only the creative potentials of the individual's cognitive processes do. This production of economic value, which is to be measured as anti-entropy in the ratio of physical-economic outputs over increasing rates of per-capita inputs, is derived not from fixed modes of behavior, as the Code of Diocletian apotheosizes unchanging practices of crafts. Economic value is derived solely from anti-entropy, that is to say, from what we generalize as scientific and technological progress in the design of products and productive processes.

Man's only real knowledge of the universe, is knowledge of those principles of the individual's sovereign, anti-oligarchical, developable powers of cognition, on the which we may rely for mankind's increasing dominion within the universe. The development and expression of those powers, to the effect of that type of benefit for mankind, is the only true definition of human freedom, as distinct from the bestial alternative proffered to Russians (and others) by the U.S.-based International Republican Institute (IRI), and Britain's outgoing sewer-pipe of Thatcherism, its Mont Pelerin Society.

From this vantage-point, which may be fairly identified as a Riemannian vantage-point, any attempt to prove, or disprove a newly discovered principle of nature, by mathematical derivation at the blackboard, is a contradiction in terms. As Riemann makes this the underlying principle of physical geometry, in his habilitation dissertation, discoveries of principle, by their nature, lie outside, and defy presently established blackboard mathematics: "This crosses over into the domain of another science, into the domain of physics, which the nature of today's occasion [on the subject of mathematics—LHL] does not permit us to enter."<sup>9</sup>

The Renaissance foundations of modern experimental physical science are rescued from the pile of Aristotelean and empiricist debris later dumped upon them, once we recognize the fact, that the notion of "laws of the universe,"

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9. *Es führt dies hinüber in das Gebiet einer andern Wissenschaft, in das Gebiet der Physik, welches wohl die Natur der heutigen Veranlassung nicht zu betreten erlaubt*, op. cit., p. 286.



is, in reality, a notion of that kind of internal ordering of the sovereign cognitive powers of the individual mind, which corresponds to mankind's increased power over the universe, as distinct from those orderings of cognition which do not. Thus, we are obliged to turn from mathematics as ordinarily conceived in today's textbook and classroom, to a meta-mathematical domain which Leibniz sometimes named "Analysis Situs." In this domain, we are concerned with the notion of distinct types of ordering of the individual mind's cognitive processes, and of the relative ranking of those types in respect of their relative efficiency, the latter in terms of human potential relative population-density and improvement of demographic characteristics of households in general.

This notion of ordering, appears in the mathematical shadows of physical scientific progress, in the form provided by Riemann's referenced dissertation. To grasp this, we must focus attention, first, on validated, revolutionary discoveries of physical principle. That ordering of successive physical geometries, each separated from all others by an absolute mathematical discontinuity, reflects the type of ordering of the human subjective processes which corresponds to mankind's increasing power in commanding the universe.

Although the results of such progress are measurable, the process itself can not be predetermined in the formalist's mathematical way. Rather, as any successful teacher should know, this progress is achieved through the student's successive replication of the mental processes which occurred within the mind of an original discoverer in effecting a validated, revolutionary discovery of new principle of nature. The function of effective education, is not to learn the mathematical derivation of textbook formulas, as by drill and grill. The function is, to oblige the student to learn every inherited knowledge of principle, from millennia and centuries earlier, by replicating the relevant cognitive processes, as they occurred within the mind of the original discoverer, within the student's own mind.

This is the location, within the domain of social relations, of that issue of discontinuities which separates the two factions, which we may rightly distinguish as Renaissance (e.g., Cusa, Leonardo da Vinci, Johannes Kepler, Leibniz, Carnot, Monge, Gauss, Riemann, et al.) versus Enlightenment (Sarni, et al.) in modern science. Riemann's habilitation dissertation makes the connections clear.

Each validated new, revolutionary discovery of principle in experimental physics (or, analogous cases), assumes the form of a new dimension of a n-dimensional manifold; moreover, such manifolds form new hypotheses not merely in terms of the component dimensions, but also the colligating relations among them. The interaction of each new such dimension, adds a new discontinuity, relative to each arbitrarily defined interval of action within the domain of the superseded physical geometry. In Leibniz's view, the essential task of

a calculus, is to address the existence of even non-constant curvatures existing within an infinitesimally small such interval of action. Leibniz's view is opposed to the Enlightenment's *political* requirement, that, in the very small, relations must be reducible to linear approximations.

This, Leibniz's type of non-linearity in the very small, is key to his understanding of the significance of non-linear types in the infinitesimally small, as monads. Hence, the virulence with which the Eighteenth-Century myrmidons of Abbé Antonio Conte, who created the mythical apotheosis of Isaac Newton, myrmidons including Berlin's Newton-fanatic Leonhard Euler, focussed such hatred against Leibniz's notion of the *monad*.

Thus, Euler resorted to a desperate tautological hoax, in his effort to present a supposed proof refuting Leibniz on the issue of the perfect continuity of Euclidean extension in space and time. This was the same issue which, later, unleashed one of the most shameful political witch-hunts in the history of mathematics, against a Georg Cantor driven virtually insane by the intensity of this persecution. The same issue arose in the hatred focussed, by Bertrand Russell acolytes such as the dismayed John von Neumann, against the amiable Kurt Gödel's independently constructed, but related refutation of Russell's leading mathematical work, a hatred which followed Gödel to his grave.

The key to understanding the connections between the formal and social issues, which we are bringing to the surface here, is that that singularity of Riemannian physical geometry which revolutionizes a pre-existing mathematical physics, is the mathematical expression of an act of revolutionary discovery of a valid new principle, an action occurring within the sovereign precincts of the relevant individual's cognitive processes. These revolutionary transformations of reigning hypothesis, occurring in the practiced domain of physical geometry, are the reflections upon mathematics, of the act of discovery of a valid principle, in the mind. Here, exactly, lies the connection between the ostensibly formal issue of mathematics, and that issue of social relations which separates the Platonic scientific heritage of the Fifteenth-Century Renaissance, from the reductionist empiricism of the Seventeenth- and Eighteenth-Century Enlightenment.

Thus, the issue of discontinuity, of non-linearity in the very small, is the reflection of the issue of social relations, the issue of the nature of the human individual, reflected upon the shadow-domain of mathematical formalism. This issue divides man from both beast and Thomas Hobbes, Renaissance from Enlightenment. This is the fundamental issue of economy.

That approach reduces mathematics' status, from science, to that of the chief handmaiden of science—to, as Gauss emphasized this point, the "Queen of the sciences." To find science, we must proceed as Gauss's practice and Riemann's words point the way, out from the domain of mathematics,

into the domain of physics. Do we lose comprehension by delimiting mathematics in this way? By no means; we make mathematics better, more powerful, by showing it its own limitations, by warning it against its common failings.

If we know how to educate, we know how to create new knowledge, and, thus, we know how to increase man's relative power to command the universe. That can not be put on the blackboard; it can only be taught through repeated reliving of the history of scientific progress, from the more rudimentary, to the more recent among the revolutionary discoveries of principle. In science so practiced, each among us relives many times, a newly replicated moment of the finest thinking from among those greatest minds among persons deceased long before each among us was born. Thus, in that way, all fruitful, truth-seeking minds, are contemporaries, comrades, within the simultaneity of eternity.

This, the foregoing, Platonic, Renaissance ordering of social relations among thinkers, in the mind, is key to the politics of science, and to the politics of republicanism, in opposition to the political characteristics of social relations within any oligarchical form of society. The distinction of man from beast, lies in the fact, that the characteristic feature of the continued existence of the human species, is the accumulation, for practice, of those original discoveries, by means of which mankind's per-capita power to exist in the universe, is increased. Thus, the essential feature of social relations, is the ability of one mind to replicate the generation of a valid, original discovery of principle by another mind; this relationship among minds, is the essential form of normal social relations among members of the human species. Thus, the central feature of a civilized nation, is a universal program of Classical humanist education for all its young persons.

If we restrict the use of the term "idea," as Plato's method does, to the replicatable notions which first appear as validatable original discoveries of principle, we must say that the universal characteristic of the human species is social relations defined in terms of ideas for practice.

On that account, the essential feature of social relations, can be only the process, within the sovereign cognitive processes of one mind, by means of which valid discoveries of principle are replicated in that mind. Thus, the mode of education by means of which one person employs the method of ontological paradox, to create a riddle, a metaphor, within the mind of another, as a means for prompting that other person to replicate, within his own mind, a solution which is a discovery of principle, is the essential form and mode of relations among persons. There is no means, by which a deductive mathematics, or any similar formalism, could represent the essential feature which defines such social relations. It is a transformation, called cognition, which can not be performed by a blackboard, a piece of paper, a slug of text, or an algebraic expression; it can be performed only within the individual human mind.

However, when Paolo Sarpi et al., sought to define a form of nation-state agreeable to the service of a financier-oligarchical class, such as the financier nobility of Venice, it was their concern to secure to the financier-oligarchical class, the ability to adapt to the military and related strategic advantages peculiar to the nation-state form of political-economy, but without allowing emphasis upon scientific and technological progress to undermine the two-tier — master-cattle, Houyhnhnm-Yahoo — relations which are the "family jewels" of all oligarchical societies.

The effort to delimit the public expression of knowledge to a deductive mode, whether by the Averroëist Pietro Pomponazzi, or the more radical, Ockhamite tactic of Sarpi, Galileo, et al., corresponds to the effort to eradicate the use of metaphor and the properly defined subjunctive mood, by Galileo's mathematics pupil Thomas Hobbes. Hobbes' coupling of the banning of that method of paradox (i.e., metaphor) which is the universal characteristic of natural human social relations, to supersede the principle of metaphor with a beastly, reductionist misdefinition of "human nature," as by John Locke, Bernard Mandeville, François Quesnay, Adam Smith, and Jeremy Bentham, after him, echoes the intent of the proto-Malthusian Code of Diocletian: the intent to establish within the financier-oligarchical form of political-economy, the perpetuation of the feudal tradition of division of society into a small ruling stratum of lordly Houyhnhnms and their motley lackeys, and a relatively more numerous collection of subjugated, Yahoo-like, human cattle.

By pretending to eliminate from science, the pedagogical relationship we have identified here, the reductionist formalism promoted by Sarpi's Enlightenment, banned the general use of that form of social relations from the general experience of the populace. Thus, the Enlightenment, and the use of the empiricist and positivist modes of degradation of the education of the overwhelming majority among university and other students, to the status which Friedrich Schiller identified by the term of derision, *Brotgelehrte*.<sup>10</sup> The deductive mode of empiricism and positivism prevails in science today, despite its intrinsically anti-science character, solely because it is perceived to be "politically correct" among those seeking employment in the relevant professions.<sup>11</sup> It is the form of

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10. Best translated into English as "those who sing to earn their suppers, rather than for the benefit of music."

11. It is readily, and conclusively demonstrable, from the internal characteristics of their method of work, that both Carl Gauss and Bernhard Riemann, for example, were not only followers of Gottfried Leibniz, but abhorred the methods of both Isaac Newton and Immanuel Kant. Indeed, even the opening paragraphs of Riemann's habilitation dissertation are already pure Leibniz, and a devastating refutation of everything distinctively characteristic of the methods of Descartes and Newton; yet, for reasons of "political correctness," a genuflection to Newton, the household god of the British (and Hannover) monarchy, and of Prussia's Frederick II, is included, however reluctantly, in Riemann's published work. Yet, with rare exceptions, neither Gauss nor

reductionism employed in “politically correct” modes of discourse about science matters, between Houyhnhnm and Yahoo.

Hence, the popularization of the hoax, that principles of science are validated by being derived from existing deductive mathematics at the blackboard. This misleads popular opinion about science matters to the degraded form of appearance, of symbolic incantations by a gnostic priesthood of official science. Hence, the political fight within science, between the heritage of the Golden Renaissance, and Sarpi’s gnostic Enlightenment. This fallacy of the “blackboard,” has played cruel tricks on modern civilization, as in post-1991 Russia today. Hence, the importance we have placed upon that issue here.

### How to rebuild an economy

The ostensibly exceptional performance of modern industrial economy under the impact of dirigist methods of science-driver development, is, in fact, not the exceptional, but, rather, the normal form of a healthy modern national economy. It is deviations from this normal form, which are the exceptions to the principle, the pathological states leading to the ills, such as financial and monetary crises, and brutal increases in poverty, which modern nation-states have suffered so much, so often, as presently.

The modern European model of national economy, since the developments of the Seventeenth Century, has been a hybrid established through the accommodation, within the same national economy, of two absolutely opposite social systems, the republican and the financier-oligarchic. Thus, insofar as a nation-state faces the prospect of losing its sovereignty in warfare, the anti-progress faction, the financier oligarchy and its lackeys, reluctantly submits to the requirements of a technologically progressive form of national economy. Under circumstances that that same oligarchy imagines the danger of such warfare to be remote, the oligarchy works to suppress the influence of those who represent the technologically progressive impulses within that society. Thus, the perception of durable peace, has been the apparent cause of the worst economic disasters of modern European civilization.

The significance of Sarpi’s strategy, of creating financier-oligarchical forms of nation-state, as clones of Venice, within the maritime bases of the Netherlands and England, was not to further the cause of the modern nation-state, but to compete with it, hopefully, ultimately, to destroy it, in what Sarpi perceived as the only way possible. Essentially, the problem

confronting Venice’s financier nobility was, that the strategic potential of the modern nation-state, as Leonardo da Vinci had demonstrated the principle, and Niccolò Machiavelli had described its effect, was inherently superior, per capita of population, to either the forms of feudalism premised chiefly upon landed aristocracy, or financier nobility. Sarpi’s point was to capture that strategic potential, but at the same time to castrate it as early and often as expediency would permit; hence Sarpi’s launching of his efforts to exterminate the influence of Johannes Kepler and England’s William Gilbert. Sarpi’s Enlightenment wished to make use of a tamed science and technology, one which would be housed, and supervised, in the academic and related slave-pens of the ruling financier oligarchy.

Thus, it should not be surprising that we observe the best performance of economies under conditions of perceived strategic threat to the existence of a nation. What we perceive, in such ostensibly exceptional cases, is a reflection of the normal functioning of a modern national economy, were that economy freed from the grip of an oligarchical accommodation. With that insight, republican strategic economic policy appears in its proper perspective.

Turn to the history of the modern, science-driven, machine-tool-design centered, “crash programs” of high-intensity economic development, since Filippo Brunelleschi’s use of the catenary principle to achieve the otherwise unfeasible construction of the cupola for the Florence cathedral of Santa Maria del Fiore, and to the virtual one-man “crash program” represented by the output of Leonardo da Vinci.

Trace this through the first national-economic, science-driver “crash program,” that of France’s Minister Jean-Baptiste Colbert, and, then, to the model for all subsequent Nineteenth- and Twentieth-Century “crash programs,” that of Lazare Carnot and Gaspard Monge’s 1794-1814 École Polytechnique—prior to the wrecking of that École, and French science generally, by the vandals Marquis Laplace, Augustin Cauchy, Henri Saint-Simon, and Auguste Comte.<sup>12</sup>

Thereafter, the most notable models are: that begun under President Abraham Lincoln, which became the model of reference for Germany’s post-1876 emergence as the leading science-driven machine-tool economy of Europe, and the spread of this influence from both the U.S.A. and Germany, into the Russia of Czar Alexander II, D.I. Mendeleyev, and Count Sergei Witte. Locate the World War II programs under President Franklin Roosevelt, and the post-World War II, German-American space program, as among the best further expressions of this same principle.

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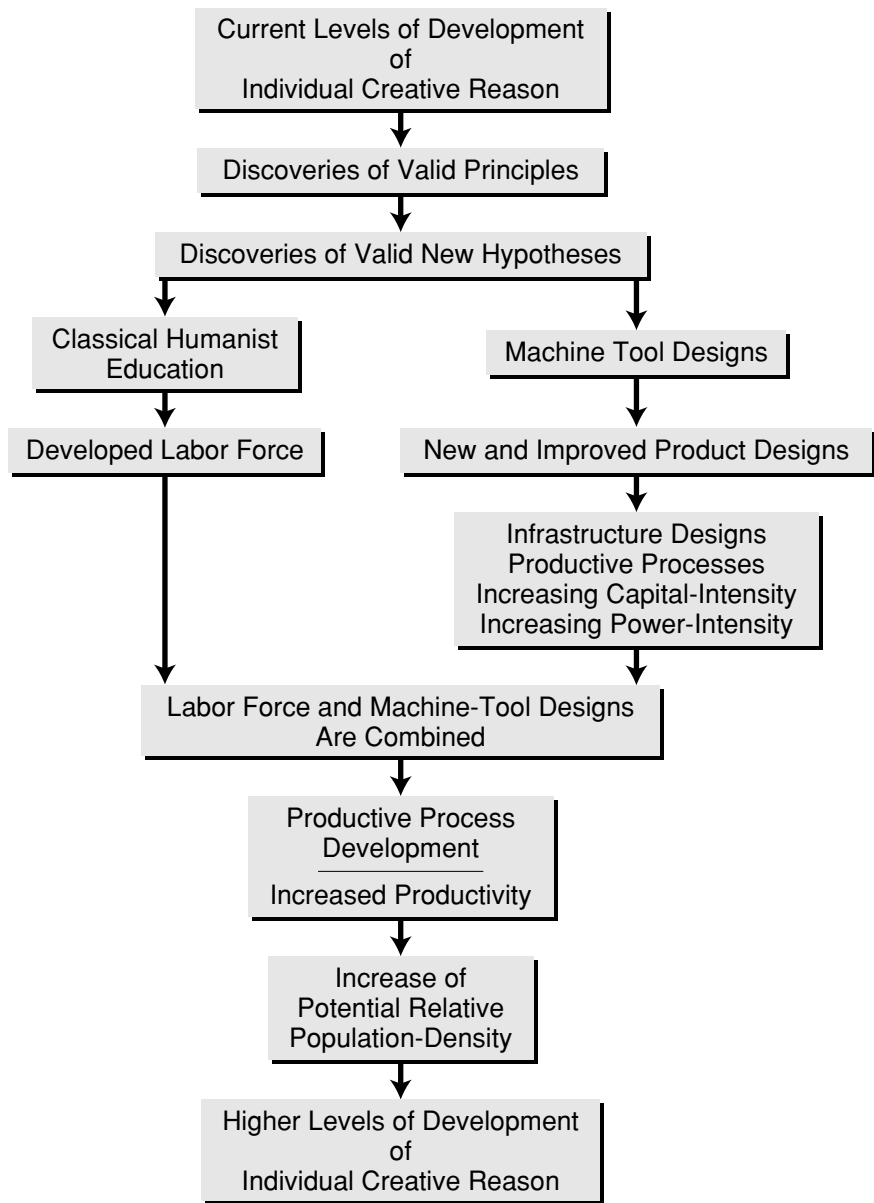
Riemann defended Leibniz, or attacked publicly, by name, the Newton they despised, in their published writings, during their lifetimes. Hence, Gauss’s refusal to publish his own notions of a non-Euclidean geometry, as this issue came to the surface most clearly in his correspondence on that subject, with G.L. Gerling, and Farkas and Janos Bolyai.

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12. Granting the occasional exception, such as “out of the positivist mainstream” Louis Pasteur, with the 1826 appearance of “Crelle’s Journal” (*Journal für die reine und angewandte Mathematik*), the position of world leader in science passed, definitively, from France, to the Germany of Carl Gauss and Alexander von Humboldt.

FIGURE 1

**Summary representation of a national economy operating in a science-driver, ‘crash program’ mode**



With that background in view, turn attention to **Figure 1:** “Successive Levels of Development of Creative Reason.” If that Figure is viewed as a summary representation of the points made here up to this point, it represents the distinguishing feature of a national economy operating in a science-driver, “crash program” mode. From that point of view, consider the potentials for an economic renaissance of Russia. Consider the strategic importance of such a renaissance in Russia for the development of Eurasia and of contiguous

regions of the planet.

From this vantage-point, the world’s economy has three interests at stake in the prospect for reactivating the scientific potentials which Russia (like Ukraine) has inherited from the Soviet Union: 1) One of the largest, and best developed scientific cadres of the planet; 2) The specific orientation of that cadre to the frontiers of experimental science in general, as the Soviet space program typifies this frontier capability; 3) The grievous shortage, globally, of that quality of science cadres associated with the former Soviet Union, as this acute shortage should be measured, per-capita of labor-force, throughout most of the world, notably Eurasia and Africa. In summary, without a virtually full-scale reactivation of the scientific cadre associated with Russia, the world at large lacks the quantity and quality of total scientific cadre-force required to reverse the recent thirty years’ contraction of means to satisfy the urgent requirements of mankind as a whole.

At this juncture, no one who is moderately well-informed, and also sane, doubts that the world economy in general, is a decrepit shanty-town, facing modern history’s fiercest, onrushing epidemic of financial and monetary tornadoes. Since the so-called “New Dark Age” of the mid-Fourteenth Century, European civilization has experienced nothing comparable to that which will devastate this planet during the several years between now and the close of the present century. Many of the outcomes of these next few years are undecided; but one result is assured. It is presently a certainty, that whatever else the outcome of the onrushing storms might be, before these storms have subsided, the

leading financial and monetary institutions of the present moment will have become no more than unpleasant memories.

Nonetheless, although the world is presently trapped within the worst financial crisis in more than six centuries, this, like the crisis of the mid-Fourteenth Century, or the so-called “Dark Age” which characterized the collapse of the Roman Empire in western Europe, is no mere economic crisis, and certainly no mere cyclical crisis. This is a threatened, general disintegration of global civilization itself, which, un-

less prevented by extraordinary measures, will become rapidly comparable to the most celebrated cases of collapses of vast empires during past history, or, of the Biblical "Cities of the Plain." It is the collapse of a global civilization, which, during the recent thirty-odd years, has lost the moral fitness to survive.

The central feature of this thirty-odd-year process of worsening decadence, has been the increasing hegemony of the financier-oligarchic interest, achieved through a systematic drift into the irrationality of "post-industrial" utopianism, bringing with it, the intentional process of destruction of the indispensable trappings of modern agro-industrial national economy. As, in most nations of the world, the generation of university students from the second half of the 1960s, has moved into the topmost executive and related posts in government, business, education, religious bodies, and so on, this generation has brought to the policy-shaping of those institutions, the habits acquired under the campus conditions of the middle to late 1960s. The trend toward increasing irrationality, which has characterized this generation's growing influence, during the quarter century of its "march through the institutions," is now hegemonic. If those trends persist during this crisis, civilization as we have known it during recent centuries, is about to go over the proverbial lemmings' cliff.

The proverbial glimmer of hope in this situation, is the fact, that the institutions of financier-oligarchic power, themselves, will suffer devastating blows during the months ahead. The momentary popular discredit, even hatred, which must be inevitably directed against monetarist institutions and policies, under such circumstances, creates the mass-psychological preconditions for a sudden return to republican policies of national economy, echoing, in that respect, the sudden decapitation, in July 1794, of what had seemed to be the unshakable grip of the Robespierre-St. Just regime of Terror in France. If that turn does not occur, then civilization as a whole will collapse into the worst, deepest "New Dark Age" yet known to historians.

Therefore, there are no sane policies, no sane strategies, except those which, first, are designed to bring about that dramatic policy-shift, and, second, focus on the measures to be taken in launching a general re-industrialization of this planet. This global shift to re-industrialization, is Russia's only chance for survival; all other alternatives are pathetically counterproductive, perhaps hesychastic fantasies. It is the necessary, essential role which the former Soviet Union's potentials must play in such a global re-industrialization process, especially the Eurasian part of this, which represents Russia's only true strategic self-interest, and the world's strategic self-interest in Russia's successful adoption of such a role.

The only way in which Russia could fulfill such a role, is through a reorganization of the shards of the pre-1991 society in a configuration corresponding to Figure 1 here. The economy of Russia must be rebuilt around a core of the type de-

icted by this Figure. Borrowing a usage from Japan, from a decade or so ago, we might call this the "knowledge-intensive export sector" of Russia's economy, overall.

To achieve this, the national educational policies, programs, and institutions of Russia must be associated with the science-driver institutions, and those mission-oriented, science-driver institutions must be oriented to a rapidly expanded machine-tool-design sector. For the sake of honing the cutting edge of scientific progress, Russia's space program must be refurbished and greatly expanded. Otherwise, the economic revival of Russia, and other nations formerly associated with the Soviet Union, will be centered around knowledge-intensive forms of capital-goods and related exports into Eurasia, and, hopefully, also Africa. In this way, Russia will earn its required imports. The concentration of national and international credit resources into the international and national projects in which Russia either participates, or interfaces, will provide the mechanisms of money, credit, and fostering of trade.

Apart from the urgency of such mobilization, the most important thing is the way in which Russia, among other nations, comes to think about economy. There must be a radical change in mentality, away from a primary emphasis upon a money orientation, to a primary emphasis upon a physical-economic orientation. There must also be a shift from primary emphasis upon things, to primary emphasis upon change, upon technological advance in products and processes, and constant increases, through realized science and technology, in the physical-economic productive powers of labor. The essential thing, is to effect a shift in the character of consciously practiced social relations, away from the Hobbesian bestiality which dominates the falsely labelled "social sciences" today, to relations based upon ideas, as we have discussed these distinctions above.

### Science policy as such

Although U.S. Lt.-Gen. Daniel P. Graham is recently deceased, the lunacy for which he was a leading public spokesman, since no later than a time he was head of the U.S. Defense Intelligence Agency (DIA), back during the middle 1970s, lives on. The issues associated with Graham's perverted advocacies, during the 1975-1986 interval, are more alive than ever, in both the U.S.A., and western Europe, today.

Graham became a spokesman for a kookish cult, known as the "L-5 Society," a cult with some influence around institutions of the Joint Chiefs of Staff and Defense Department. Prior to President Ronald Reagan's March 23, 1983 public offer of cooperation, on a Strategic Defense Initiative (SDI), with the Soviet Union, Graham had been the leading opponent of SDI, when it had been proposed, first, by me, and then by Dr. Edward Teller. Graham's campaign of attacks upon me, on this issue, from August 1982, and upon Dr. Teller, beginning October 1982, are crucial for understanding the problems of science policy in the U.S.A. today.

Within a week, after March 23, 1983, my enemies inside the State Department and other nooks and crannies of the U.S. Government, began to push Graham forward as the “quasi-official interpreter” of SDI. As a result of this push from behind the scenes, Graham became prominent as the leading spokesman for the proposed alternative, called “High Frontier,” to Reagan’s original SDI proposal. “High Frontier” was a concoction produced by the L-5 Society.

The leading features of Graham’s opposition to the original SDI proposal, represent a kind of mental disease widespread, then and today, among radical right-wingers of the sort associated with the British Mont Pelerin Society’s leading propaganda-agency in the U.S.A., the British intelligence-directed Heritage Foundation. It is that mental disease which must be identified, and countered, to overcome today’s most influential opposition to a revival of science in Russia.

Graham’s most significant base of support came from those U.S. defense contractors who perceived their self-interest to lie in selling the U.S. Government “off-the-shelf technologies” left over from previous research into what Graham et al. identified as “kinetic energy systems.” That was consistent with the underlying characteristics of the “High Frontier” proposal itself; it was, in all essential technological characteristics, a revival of an aborted missile-defense design dating from the early 1960s. This smell of lucre in Graham’s 1975, 1982, and later attacks on the development of “new physical principles,” provided the platform for a more thorough-going attack on basic scientific research itself. It is that latter feature of Graham’s Heritage Foundation-backed campaign of the 1980s, which has crucial bearing on Russia’s science policy today.

The broader policy-context in which Graham’s tantrum-like, 1982-1983, public attacks upon me and Dr. Edward Teller are to be situated, is the Mont Pelerin Society’s campaign against government-sponsored fundamental scientific research. Graham served as a cat’s-paw for two interests. First, the Pugwash Conference circles which Henry A. Kissinger had represented in U.S. policy since his cooptation, under McGeorge Bundy’s patronage, to serve as a British Foreign Service asset seconded to the New York Council on Foreign Relations’ promotion of the Pugwash policies which featured in the 1958, Quebec, “Dr. Strangelove” proposal of Dr. Leo Szilard. Essentially, in this respect, Graham was a Kissinger asset, his “High Frontier” proposal simply a piece of silliness, from the vantage of both military strategy and science.

It is the Mont Pelerin Society side, Graham’s attacks upon science itself, which is of immediate relevance here. Both the intentional destruction of Russia’s science, set into motion under the Thatcher-Bush-Mitterrand policies of the IMF et al., and the present recommendations for a pathetic niche-orientation for the future science of Russia, are reflections of the exact same mentality which Graham and his backers expressed in the SDI debates of the early 1980s. The alternative to the wretched perspectives reported by Saltykov,

emerges from the roots of modern science.

The roots of modern science, lie chiefly within the work of a “Golden Age” of approximately two centuries, the period from the emergence and influence of Plato’s Academy at Athens, a period whose conclusion is most prominently marked by the murder of Archimedes and the death of his great contemporary Eratosthenes. The principal point of departure for Greek science was, as Plato stressed, Egypt’s pioneering in improvement of astrophysical determination of solar calendars. The difference, which places Greek science qualitatively above that of the Egypt which sponsored the revival of a literate Greek culture from a centuries-long, preceding “dark age,” is marked by Plato’s emphasis upon the manner in which the notion of incommensurability had been developed by the school of Pythagoras, both for geometry, and for musical tuning. The key is Plato’s development of that same method of hypothesis which sets the science of Bernhard Riemann apart from, and qualitatively above that of Grassmann, Clausius, Kelvin, Helmholtz, Maxwell, et al.

The Platonic Academy’s pioneering of a qualitative advance over Egypt’s contributions to science, may be termed, conveniently, the “transfinite” view of the development of human knowledge. In this way, the term “transfinite” is used to reference an attribute adumbrated by Plato’s method of hypothesis. The relevance of this connection is made especially clear, when that method is seen from the standpoint of the way in which Plato’s scientific method explicitly underlies Riemann’s habilitation dissertation, and permeates the mid-1880s *Grundlagen* and *Mitteilungen* of Karl Weierstrass’s protégé, Georg Cantor.<sup>13</sup>

The reason that a centralized, state-backed science-driver “crash program” outperforms all other forms of economy, not only relatively, but absolutely, is found in closer examination of those implications of Riemann’s work viewed from the vantage-point just identified. This provides the relevant alternative to the mendacious quackery permeating the views of the late General Graham and his L-5 Society and Heritage Foundation cronies.

In the ordering of scientific progress made intelligible by Riemann’s discovery of physical geometry, the general development of society flows from the sweeping changes in Platonic form of scientific hypothesis, which are imposed

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13. *Grundlagen einer allgemeinen Mannichfaltigkeitslehre* (Leipzig: 1883). For the original version of this work, see *Georg Cantor: Gesammelte Abhandlungen mathematischen und philosophischen Inhalts*, Ernst Zermelo, ed. (Berlin: Julius Springer, 1932) [reprint (Berlin: Springer-Verlag, 1990)]; pp. 139-246. On the *Mitteilungen*, see pp. 378-439, in the same *Gesammelte Abhandlungen*. In light of the disorientation of Cantor by British agent and theosophist Rudolf Steiner, especially in Cantor’s tormented efforts to prepare his *Beiträge zur Begründung der transfiniten Mengenlehre*, one should view Cantor’s contributions from the vantage-point defined by Riemann’s habilitation dissertation [*Abhandlungen*, pp. 282-356]. *Contribution to the Founding of the Theory of Transfinite Numbers*, Philip Jourdain, trans. [New York: Dover Publications (reprint), 1955].

by a single, validated discovery of a universal principle of knowledge. Such a discovery, by changing not only the set of definitions, axioms, and postulates underlying all of scientific knowledge up to that time, but also changing the metrical relations defined by the interrelationship among those axioms, unleashes a flood of secondary discoveries. This result occurs in a fashion analogous to the way in which the set of definitions, axioms, and postulates of a schoolbook Euclidean geometry, implicitly generates each and all of the valid theorems of that geometry.

In brief, it is indispensable to make a clear distinction between fundamental discoveries of principle, and secondary discoveries derived from a discovery of principle. It is necessary to put to one side all niche-science; it is essential to see the whole sweep of existing, and possible future scientific knowledge, in all facets of knowledge, as if in a single conception.

This latter view I have represented in terms of the permutations of orderings among the cells of that nine-cell array defined by three mutually distinct types of ordering and three categories of evidence. The functional types are: 1) ostensibly non-living particular processes; 2) living, but ostensibly non-cognitive particular processes; and, 3) cognitive processes. The three categories are astrophysical, microphysical, and macrophysical, mutually distinguished by the position of the evidence of relations with respect to the human sense-percep-

tual apparatus. It is the ordering which subsumes all orderings among all permutations of orderings among the cells, in the sense of Leibniz's term "Analysis Situs," which defines the scope, and, thus, the content of both science itself, and a well-defined science policy.

The characteristic of a science-driver "crash program," is that the program as a whole addresses the relations among all nine cells, in respect to some unifying task-orientation, some unifying mission, or group of missions.

Perhaps nothing satisfies that requirement as well as a man-in-space mission. This combines astrophysics with microphysics and macrophysics. It combines ostensibly non-living, living, and cognitive processes. It takes man into the kinds of places man has never visited before, by means which had not been developed in this way earlier. It is therefore, this kind of mission-orientation, which generates the broadest range, and prolific assortment of "spill-overs," from the domain of experimental physical science, into the tool-design potential for improved products and productive processes.

The broadest (national, continental, intercontinental) scale of production of transport-spined, modern developmental corridors, using the impetus of technological progress supplied by a "crash" manned space-exploration program, is the feasible approach to an economic renaissance of planet Earth, which, by its principled nature, offers the highest rate of per-capita gain for mankind.

## Second LaRouche book published in Russia

*Fizicheskaya Ekonomika*, the second book by Lyndon H. LaRouche, Jr. to be published in Russian, came off the press in July. It is a translation of LaRouche's essay, "The Science of Physical Economy as the Platonic Epistemological Basis for All Branches of Human Knowledge," which was serialized in *EIR* in 1994 (Feb. 25, March 4, and March 11).

The first long article LaRouche wrote after he was paroled, five years into the 15-year Federal prison sentence received in his notorious frame-up case, "The Science of Physical Economy" contains a rigorous definition of LaRouche's "market-basket" parameters for measuring economic progress in real terms. In this essay, he establishes physical economy, developed by human beings, as the domain in which essential change in the universe can be precisely measured. That is why physical economy is the "epistemological basis"—epistemology being study of what may be known, and how—for other branches of knowledge.

The market baskets are presented in Chapter 1, "Rudimentary comparative studies of physical-economic time-series," and contrasted with the monetarist excesses of "asset-stripping," and "the myth of 'cheap labor.'" Chapter 2 is "Smith, Ricardo, and Marx: British imperialism's zero-growth economists." Chapter 3 is titled, "Not-entropic processes," and Chapter 4, "Economics as the only science," concludes with a section on "Economics and higher hypothesis."

In an introduction to the Russian book version, Prof. Taras Muranivsky reviews the growing attention to Lyndon LaRouche's ideas, in Russian academic and political circles, since the publication of his *So, You Wish to Learn All About Economics?* in Russian translation in 1993. He welcomes LaRouche's demolition of zero-growth notions, as well as the author's attention to "social and moral problems," as especially useful for Russia.

*Fizicheskaya Ekonomika*, published by the Schiller Institute for Science and Culture, is a 128-page paperback, with tables, graphs, and an index of names. It was printed at Nauchnaya Kniga publishing house, which assures its availability to major libraries in Russia. The text will soon be available, as well, in the Russian-language section of *EIR*'s Internet site at: <http://www.larouchepub.com>



## The Ugandan hell behind London's Museveni myth

by Linda de Hoyos

"The West should save the morality lessons for later," declared Jeffrey Sachs of the Harvard Institute for International Development, in its dealings with Laurent Kabila and his new Democratic Republic of the Congo. Arguing in the *New York Times* of May 29, Sachs, huckster for the International Monetary Fund throughout eastern Europe and Russia, held up the case of Uganda to motivate his embrace of Kabila. "The experience of neighboring Uganda is instructive," Sachs said. "Since President Yoweri Museveni came to power in 1986, Uganda has recovered from the most harrowing depths of violence and economic collapse to become one of Africa's fastest-growing countries, while improving its human rights record."

The vast majority of Ugandans, however, would not recognize the Uganda Sachs is talking about. For them, the picture is far more grim. This report is to give *EIR* readers an insight into the Uganda *they* see.

Take an example. This item appeared on the pages of the Kampala daily *Monitor* on July 14: "Arua Member of Parliament Bakako Bakoru broke into tears and sobbed at Atatur Hospital, when she entered the labour ward and found three premature babies being incubated using charcoal stoves. Bakoru, a nurse, is a member of the Parliamentary Committee on Social Services who have been touring eastern Uganda districts of Pallisa, Kumi, and Soroti to assess the food situation there. Atatur Hospital, which was opened in November 1969, has been run down. Some patients sleep in wards with sewage flowing up to their beds. In the incubation room, the prematures are wrapped in cotton cloth and placed in baskets suspended on metallic stands. . . . The MP condemned the action, calling it murder. . . . During a meeting with the hospital staff, Bakoru spoke with tears rolling down her cheeks. The Medical Superintendent and the District Medical Officer told the MPs that neither the hospital nor the district had resources."

Atatur Hospital is not an aberration, not an isolated case. Throughout Uganda, medical services are basically nonexistent. Throughout the rural areas, where 90% of the population lives and particularly in the entire eastern and northern sections



*Uganda's Yoweri Museveni (right) meets with German President Roman Herzog in January 1996.*

of the country, there are no medical services, there is no medicine. This, in a country where not only HIV, but also malaria, including the deadly cerebral malaria, tuberculosis, yellow fever, and sleeping sickness are on the dramatic increase. Uganda, the statistics show, is a country where *death is on the rise*.

How then, can Yoweri Museveni's Uganda, be pointed to as the model for Africa?

### **Curtain of lies**

The "big lie" shows what is in store for Africa, if the British marcher-lord force coordinated out of Kampala—comprised of the Ugandan military of Museveni himself; the Rwandan Tutsi military of Rwandan Defense Minister Paul Kagame; the Eritrean force of Isaias Afwerki; the Angolan forces of José Dos Santos; the Tutsi military of Burundi; and the child-soldier force of Laurent Kabila, are permitted to continue their sweep across Africa.

Since 1990, the myth of Yoweri Museveni's Uganda has been used to justify the destruction of Rwanda, successive wars against Sudan, and the invasion and seizure of Zaire. The line coming from senior hornswoggler Jeffrey Sachs is precise: We can sweep under the rug the unpleasant realities of the forced death by murder, disease, and starvation of up to 500,000 Hutu refugees in eastern Zaire. They were killed by those who will re-create the "Uganda model" throughout Africa, and hence their deaths were a necessary consequence of this great advance.

This report is an attempt to look behind the curtain of lies that has been drawn, over the last seven years, in the pages of the Western press. The lie originates in London. As Ugandans understand very well, it is London that installed Museveni in power and London which runs Uganda today. It is London that has given Museveni full license to strip Uganda to feed his military machine, which in turn arms and directs the Rwandan-Eritrean-Burundi-Kabila combine threatening Africa today. It is the companies of the British Commonwealth, led by the Commonwealth Corporation, which follow behind the armies, taking the property titles on the wealth seized by Museveni's warlord forces.

Meanwhile, in Uganda, as in Rwanda, as in Burundi, as in Zaire, the vast majority of the population is being left to die.

In our report, *EIR* sets the record straight. Yoweri Museveni has been in power in Uganda for eleven years. In that time, there have never been free and fair elections, even according to the U.S. ambassador. In that time, there has been no recovery of the national economy; instead, productive capacities have been looted to fund London's wars. In that time, there has *never* been peace inside Uganda, and Museveni continues to wage a war of annihilation against a third of the country.

Unless the United States, as American statesman Lyndon LaRouche has called upon the Clinton administration to do, takes decisive action to call the British Privy Council to account for its holocaust in Africa, the hell that reigns in the disintegrated nation of Uganda will be the future for all African countries, for Ibero-America, for Asia, and for us all.

# I. If this is success, why are Ugandans dying?

“The economy continues to perform well,” reads the quarterly report card for Uganda, published by the London Economist Intelligence Unit for the second quarter of 1997. “Gross Domestic Product is expected to have grown by about 6% during 1996-97 (July-June) and the same is predicted, so far, for 1997-98. . . . The rate of inflation has fallen to a remarkably low level for a developing country and the government’s target of 5% for the current fiscal year now looks to be achievable. With the exception of 1994, inflation has been below 10% for five years. This remarkable stability has been accompanied by a similar stability in the exchange rate and a steady build-up of foreign exchange reserves.”

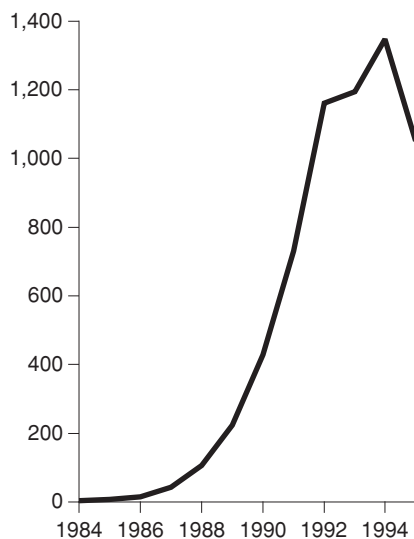
To render its grade, the *Economist* is looking at such statistics as the exchange rate of the Uganda shilling to the U.S. dollar (Figure 1), and the consumer price index (Figure 2). The objective is to determine whether Uganda might be a safe bet for those who want to take advantage of Ugandan

President Yoweri Museveni’s offer of “raw materials, cheap labor, and power,” and come take their profit.

As London’s *Financial Times* explained in its six-page paean to the Ugandan economy on April 25, 1996, “among the factors that have made Uganda one of the most exciting investment opportunities in Africa: political stability; sound economic policies; a freely convertible currency; no restrictions on the employment of expatriates; cuts in corporate tax rate from 40 to 30%; and investment incentives that include tax holidays of up to six years and duty-free imports of capital goods and machinery.”

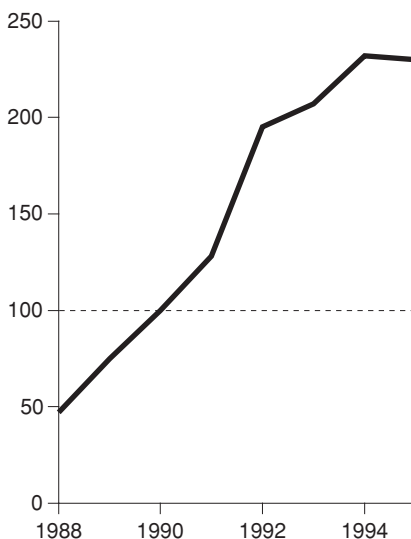
The *Financial Times* continues to praise the “revival of the dilapidated” tea industry, in huge plantations owned by the Commonwealth Development Corporation. Also cited is the cobalt processing project at Kilembe, to be shared by the Commonwealth Development Corporation, the International Finance Corporation, and the French company Proparco.

FIGURE 1  
**Exchange rate**  
(Uganda shillings per U.S. dollar)



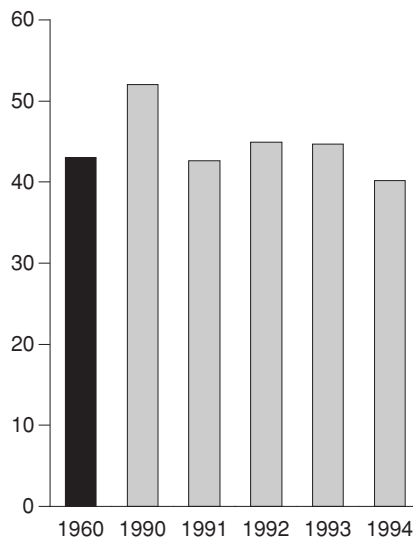
Source: Economist Intelligence Unit.

FIGURE 2  
**Consumer price index**  
(index 1990=100)



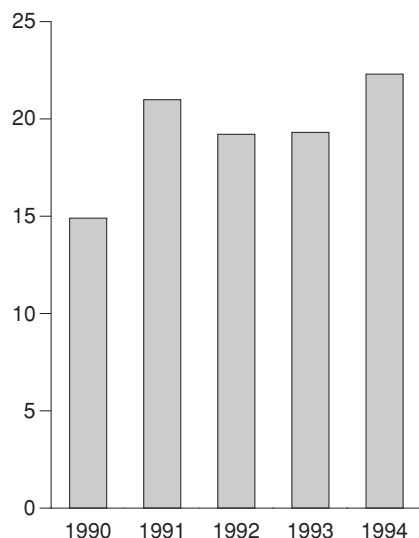
Source: International Monetary Fund.

FIGURE 3  
**Life expectancy at birth**  
(years)



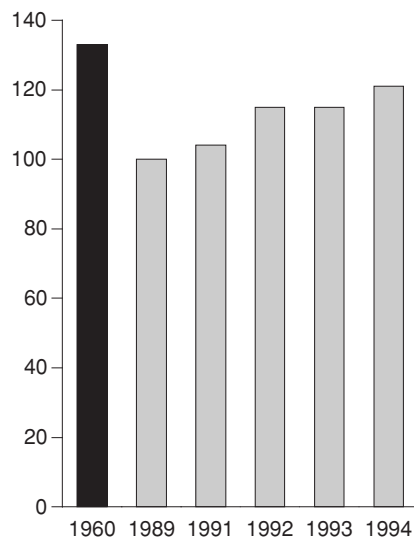
Source: UNDP.

FIGURE 4  
**Crude death rate**  
 (deaths per 1,000 population)



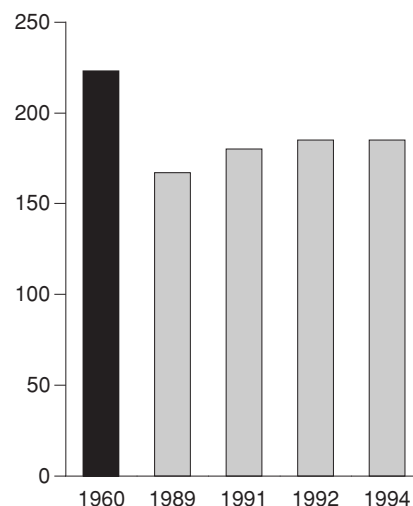
Source: UNDP.

FIGURE 5  
**Infant mortality**  
 (per 1,000 live births)



Source: UNDP.

FIGURE 6  
**Mortality rate, children under 5 years**  
 (per 1,000 live births)



Source: UNDP.

These products are all for export, with repatriation of profits a guarantee.

The parameters of interest for such outlets as the *London Economist* and the *Financial Times* are those fiscal indices that measure how easy it is to get a return on investment in Uganda.

These indices, however, are irrelevant to 90% of Uganda's population. With an annual average per capita Gross Domestic Product of \$230, the fact is that 90% of Uganda's population has no money at all! There is very little relation between the "Ugandan success story" hailed in the Western press and the actual national economy.

The *Economist* is measuring Uganda's standing as a *member of the globaloney free-trade looting system* centered in the British Commonwealth. We must turn to other parameters to see what is happening to the actual *national economy* of Uganda, the economy of its most precious resource—its people. Those figures show that the Ugandan people *are dying*.

### The national economy

The *London Economist* sees health and stability in the exchange and inflation rates. But, according to the United Nations Development Program (UNDP) 1997 statistics, Uganda has the third lowest life expectancy in the world—second only to Rwanda and Sierra Leone. Life expectancy—the measurement of mortality across the board—has been falling slowly but steadily in Uganda since 1971 and the coming into power of Idi Amin. But since 1990, life expectancy

has taken a nosedive, and is now at the level of only 40.2 years (see **Figure 3**). It has fallen below that registered in 1960, when Uganda was under British colonial rule.

Similarly, the crude death rate, or deaths per 1,000 people per year, is now at 22.3, more than double that of the United States, and continuing to rise (**Figure 4**).

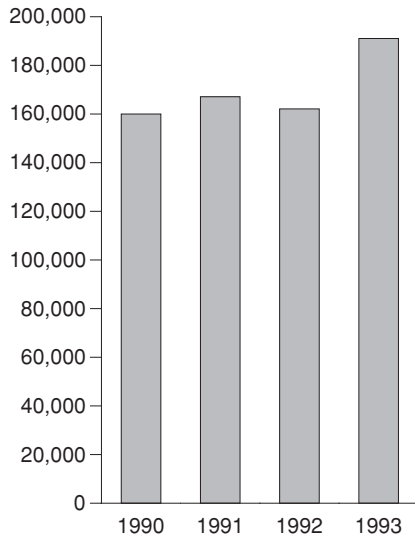
In the case of infant and child mortality, infant mortality has suffered a steady rise since 1989, according to the UNDP (**Figure 5**). Mortality rates for those children under five years, have also risen (**Figure 6**). And in 1993, the last year that the UNDP published this highly revealing statistic, 191,000 children under the age of five died in Uganda (**Figure 7**).

Although there are no accurate statistics for Uganda's total population, the unabated rise in mortality shows that the Uganda's national economy is unable to reproduce itself: The total productive capacities of the country are unable to produce and deliver a market-basket of goods capable of maintaining and reproducing the Ugandan family unit. The productivity of the average member of the labor force has steadily declined, in large part due to the physical depletion of the individual members of the labor force.

Infant mortality has not risen at as fast a rate as overall mortality, indicating that early death is afflicting the adult population—Uganda is a nation of orphans. This is in part due to the human immunodeficiency virus (HIV), which has Uganda as its epicenter. However, reported HIV infection rates appear to be on the decline, according to the *Economist*. At Lacor Hospital in Gulu, infection rates among pregnant

FIGURE 7

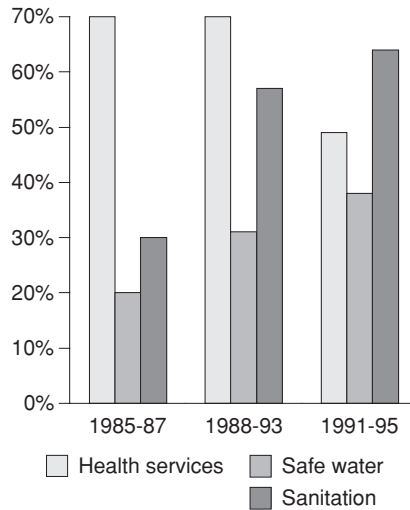
**Children dying before age 5**  
(number of children)



Source: UNDP.

FIGURE 8

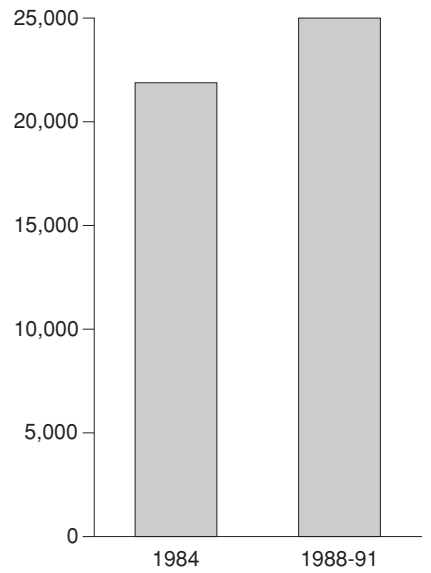
**Access to health services, water, and sanitation**  
(percent of population with access)



Source: UNDP.

FIGURE 9

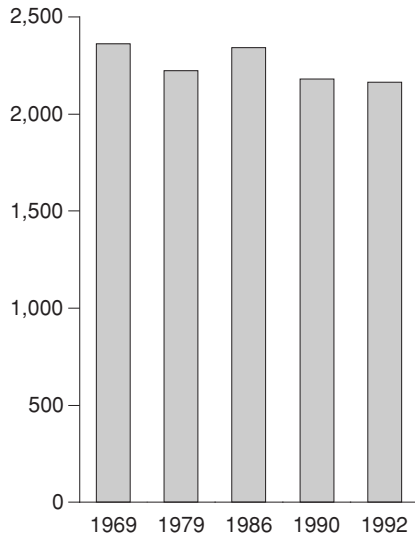
**Medical doctors per capita**



Source: UNDP.

FIGURE 10

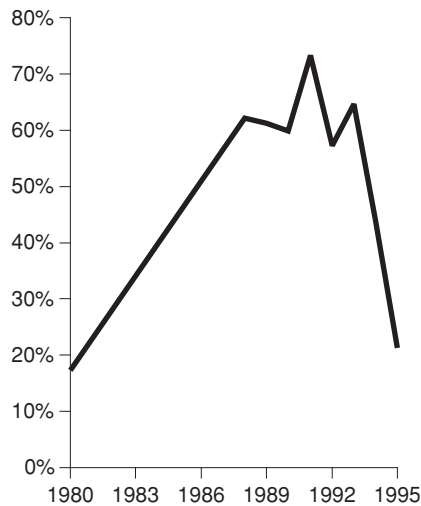
**Daily caloric supply**  
(calories per person per day)



Source: World Bank.

FIGURE 11

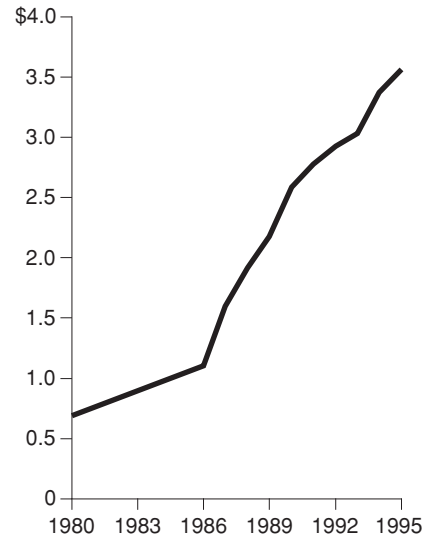
**Total debt service, as percent of exports of goods and services**



Source: World Bank.

FIGURE 12

**Total external debt**  
(billions \$)



Source: World Bank.

women fell from 25% in 1993, to 13% in 1996. But coincidental with HIV, has been the rise of an entire host of diseases that were virtually eradicated in Uganda during the first government of Milton Obote (1962-70).

Tuberculosis has been on the steady rise, with reported cases increasing from 19,016 in 1991, to 26,438 in 1996. Outbreaks of yellow fever, meningitis, and sleeping sickness have all been registered in the last four years. However, the

biggest killer in Uganda may well be malaria. Since 1995, malaria has been killing 2 million Africans every year, doubling the rate since 1992. According to the Ugandan *Crusader* on July 3, "Malaria has become part of life in almost all of Uganda. Many of our people, especially the rural poor, suffer and die from malaria. Due to inappropriate treatment, malaria has become pandemic in the blood of its victims."

But as Charles Atwoki Kagenda states in his interview (see p. 43), Ugandans are dying of *neglect*. Annual per-capita expenditure on medical services is \$5, reports the *Economist* (see **Figures 8 and 9**).

And Uganda, despite its climate and rich agricultural potential, is not without hunger. Daily caloric supply per person has been incrementally, but nevertheless falling since 1986 (**Figure 10**). A drought in north and northeastern Uganda this year brought 2.1 million people to the brink of starvation, reported Minister for Labor and Social Services Paul Etiang on March 10. Uganda asked the donor community for emergency food relief, because the government had no reserves. The food crisis was exacerbated by the uprooting of peasants in the north to "protected villages" where they are no longer able to cultivate their farms, but have to live on concentration-camp-level daily rations.

The nation's many orphans are also under-fed, it would appear. In Kampala, on July 22, "a group of hungry street children attempted to march into President Yoweri Museveni's State House, where they were received with a beating by security guards at the main entrance. The kids, numbering about 100, . . . carried placards reading 'Museveni come to our rescue; we are dying of hunger,'" reported the *Kampala Monitor*.

## The national budget

It is at the point of presentation of the national budget that the "two economies"—the globaloney one of the *London Economist* and the national economy of Uganda's dying people—intersect. Here it can be seen that the dictates of the "globaloney" economy, and the geopolitical dictates of London take priority.

*Priority #1—the Debt:* Following the Structural Adjustment Program of the International Monetary Fund since the late 1980s, Museveni has devoted his government to paying Uganda's debt service as a top priority. In 1993, Uganda's payment on debt service reached a high of 64.7% of its total revenue from exports of goods and services (**Figure 11**). Donor funds—\$750 million pledged for this year—are being recycled to pay the debt.

Despite this, and despite substantial write-offs of debt and other forms of write-downs, Uganda's debt has continued its steady rise (**Figure 12**).

*Priority #2—the Military:* Permanent Secretary of the Ministry of Finance Emmanuel Tumusiime-Mutebile announced in his presentation of the budget on July 3 that there

## Rewards for the marcher-lord

The International Monetary Fund and World Bank on April 22 made Uganda the first beneficiary of its debt-reduction plan. The announcement came earlier in February from British Chancellor for the Exchequer Kenneth Clarke, who said that Uganda qualified because it is one of the "good-performing countries with a sufficient track record."

The idea, according to IMF spokesmen, is to "reward" those countries that have followed strict policies of debt repayment and debt reduction. Although Uganda's debt has not been reduced (see **Figure 12**), IMF-World Bank confidence in Museveni is such that Uganda came in as a selected beneficiary anyway. The debt reduction scheme will begin in 1998. Under the plan, Uganda will have \$68 million of its \$3.4 billion debt sliced off the top.

Although the money thus freed up is allegedly to be used for "schools, hospitals, and other social purposes," there is no indication in Museveni's track record so far to show that a drop of such monies will reach their officially designated destinations—a fact that cannot be unknown to the donors.

Although Germany and Italy proffered weak protests that the Museveni government spends too much on its military, the debt reduction scheme will be used by Museveni to free up funds for his continuing military assaults on the region, which now include targets of Central Africa Republic, Sudan, and Kenya, not to mention Museveni's desire to put down insurgencies inside the country.

Uganda's winning the first debt reduction from the IMF-World Bank is but the latest break to Museveni's government from the Paris Club of creditor nations and their IMF-World Bank duo.

Denmark is today Uganda's number-one donor, with the United Kingdom, Japan, and the United States also among the leading donors. For 1997, a total of \$800 million was pledged to Uganda, a whopping sum for an African country, nearly commensurate with the \$2.5 billion pledged to Ethiopia over two years.

Efforts have also been made to reduce the overall debt. Since 1988, a total of \$151 million has been forgiven outright, and the debt stock has been reduced by another \$181 million since 1993. This compares with Kenya, which has nearly twice the debt, but has received no debt-stock reduction or cancellations of any size in the 1990s.

would be no rise in the wages of civil servants, and that non-wage expenditure in the various ministries would be cut by as much as 56%. However, the allocation to the Defense Ministry would be increased by 20%.

This is really the tip of the iceberg, as many Ugandans will report that the military is the only recipient of government money, and that all funds coming into the country are siphoned off to maintain an army of at least 100,000 men under arms, supplemented by thousands more in the paramilitary local defense forces of the National Resistance Movement inside the country. In addition, precious foreign exchange is squandered on armaments and equipment for the military. These armaments are not only distributed to Ugandan forces, but to Rwandan forces as well. Even so, the Ugandan military functions not as a national security force in defense of the country, but as a mercenary force to secure the east African region for the globaloney investments of the British Commonwealth.

*Priority #3—Corruption:* Despite Museveni’s widespread reputation as a Mr. Clean, three of his cabinet ministers and many of his political cronies and military honchos are currently under investigation for their role in looting state enterprises.

Take the case of the Uganda Commercial Bank (UCB). For months, the government has been attempting to privatize

the UCB, Uganda’s premier state banking institution. But this plan ran into some difficulty when it was discovered that the coffers of the bank were bare; on the books were scores of non-performing loans held by the top operatives of the Museveni government.

In fact, it would appear that the Uganda Commercial Bank was looted to pay for the Rwandan Patriotic Front’s conquering of Rwanda, with current Rwandan Defense Minister Paul Kagame owing 24.29 million shillings to the bank. In addition, two top Presidential advisers are high on the list of defaulters to the bank.

The government has vowed that it will pump 70 billion shillings of taxpayers’ money in the form of bonds into the Uganda Commercial Bank as recapitalization, in order to enable the bank to be privatized—or, piratized—again!

Meanwhile, due to the privatization campaign, the UCB has closed many of its up-country branches serving rural communities. For many Ugandans, the money economy is ceasing to exist completely.

A similar tale of peculation is unfolding in the case of the Ugandan Railway Corporation. Both Museveni’s Prime Minister Kintu Musoke and Information Minister Ruhukana Rugunda are under investigation for their role in robbing the till at the Railway Corporation, according to the *Monitor* of July 20. In June, the Transport Minister Kirundu Kivejinja was forced to resign under charges that he had looted the company.

Last October, the government announced that *due to lack of money*, the Ugandan Railway Corporation would suspend all passenger service on its 770 miles of track. It is now virtually impossible for a normal citizen of Uganda to get from one area of the country to another.

### The result

What does this mean for Uganda’s people? While the money is being drained in directions dictated from outside the country, within, desperately needed social services are being shut down. With the exception of those areas protected by the military or by personnel from British special forces security agencies, which are part of the globaloney economy, the rest of Uganda, through a policy of malign neglect, is being turned into a *terra incognita*.

In 1996, Museveni “ran” for President on a promise of guaranteeing primary school education for the first four children in every family. But in June, it was reported that the services of the 900 teachers recruited in Lira District to carry out this policy, had been terminated for lack of funds. District officers said that the government had *never* budgeted the money for their pay. In Apac district, 700 teachers similarly recruited are going on strike, because they have not been paid since January.

Perhaps the report card on Uganda should be revised to read: Exciting investment opportunities abound in Museveni’s Uganda—as long as you are not investing in the future.

## If You Thought Adam Smith Is The Founding Father of America’s Economic Strength



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Friedrich List to Charles J. Ingersoll, July 10, 1827

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## II. Snake oil salesmen hail Museveni's Uganda

*Throughout the 1990s, despite the reality that Uganda is not a democracy, that its population is among the poorest on Earth, and that it has been at constant war within its own borders, Ugandan President Yoweri Museveni has been hailed as the "new breed" of African leader; the Uganda beneath his clenched fist, has been paeaned as the "model for Africa." Here is a sampling from some of the salesmen selling the Uganda "snake oil."*

**University of Minnesota and Hubert Humphrey Institute,** Minneapolis, June 24, 1994: During a visit, Museveni was made an honorary doctor of law by the University of Minnesota, and the Humphrey Medal for Distinguished Public Service from the Hubert Humphrey Institute.

**Minneapolis Star Tribune,** Frank Wright, Jan. 9, 1995: "Uganda [is] one of the few flickers of hope for the future of black Africa. Maybe, just maybe, Uganda not only will succeed for itself, but also will offer lessons for others on a continent where progress is often erratic, often temporary."

**Washington Post,** March 15, 1995: "[The city of] Jinja's

comeback is a vivid example of this nation's resurrected economy, which grew by 8% last year—an exceptional performance on a continent where most economies either shrank or grew more slowly than did their populations."

**Jack Kemp and Rep. Donald Payne,** "Africa's Promising Changes," in the *Journal of Commerce*, June 26, 1997: "There's nothing intrinsic to Zaire, or any other country in Africa, to suggest they can't enjoy prosperity, if they are allowed to adopt sound economic policies. Not long ago, the same things one hears about Africa were said about Latin America. Today Latin America is at peace, people enjoy the rights of self-government, and the economies of Chile, Brazil, Argentina and other parts of the continent experience brisk growth. . . .

"At least half a dozen [African] countries have adopted liberal economic policies, democratic political reforms, or both. If Laurent Kabila and his economics adviser, Penn State-educated Mawapanga Nanba, are looking for budding prosperity zones to emulate, they need only look a short distance to such countries as Botswana, Uganda, and Kenya."

### LaRouche blasts Museveni

*The following remarks are from a radio interview with "EIR Talks" on July 1:*

Let's give the folks a real inside story, what's really going on: If you look at Africa—forget all the nonsense that you read in some of the news media, though a lot of the media have told you about the genocide. There's a holocaust going on in Africa, for which there is no comparison in the world, *since* what the Nazis did in eastern Europe to Jews and others, during the last world war. That is going on. That is being perpetrated by Museveni, the President of Uganda, using people like Kabila, using people like Kagame, and so forth, for this purpose.

All of Africa is threatened by general genocide, by this fascist leader, British Commonwealth leader, in Uganda: Yoweri Museveni. This involves 3 million or more Hutus,

and others. The war is extending from Zaire into Congo-Brazzaville. Gabon is threatened; Nigeria is threatened. We have Sierra Leone, and so forth. The engagement in Angola is increasing. Zambia is threatened; Kenya is threatened. And, so forth and so on. If you look at the map, you see all of Africa, *a vast genocide is being perpetrated* under the direction of Museveni. . . .

Africa is being returned to a corporate colonial status, very much like it was prior to the 1882-83 Treaty of Berlin, which carved up Africa, and gave it some political divisions there. It's private colonies, private, corporate colonies; the corporations are almost entirely British Commonwealth corporations—like Oppenheimer-DeBeers, Rio Tinto Zinc—the whole panoply of that crowd. What they're using, is mercenary armies . . . deployed through the Crown Agents of the British Commonwealth, using largely British-directed mercenaries—who are also being negotiated to be used by the United Nations Organization *as a mercenary army* deployed by *the United Nations*. . . .





Swedish Minister of Overseas Cooperation  
Pierre Schori



Former British Minister of Overseas  
Development Lynda Chalker



German President Roman Herzog

About a month later, the Schiller Institute's Margaret Greenspan confronted Payne, the former head of the Black Congressional Caucus, at the New Jersey Democratic Convention, telling him, "You clearly have not read anything he [Museveni] has written. What about Museveni? He just came out publicly supporting Adolf Hitler." Payne could only offer, "Museveni is a democrat. He let the Asians come into Uganda."

*Los Angeles Times*, July 11, 1995: "Today, this small nation, just over half the size of California, has come to embody big hopes that Africa will outgrow its brutal history and triumph over its hardships.

"A darling of development bankers and high-risk investors, Uganda enjoys one of the fastest-growing economies in Africa. Nine years of relative political stability and an eager embrace of Western open-market policies has revitalized agriculture and attracted new manufacturing and resource development.

"The country is progressive in realms where Africa has been stubbornly backward, such as providing opportunities for women. . . .

"President Yoweri Museveni is internationally regarded as a pathfinder for a new generation of forward-looking African leaders."

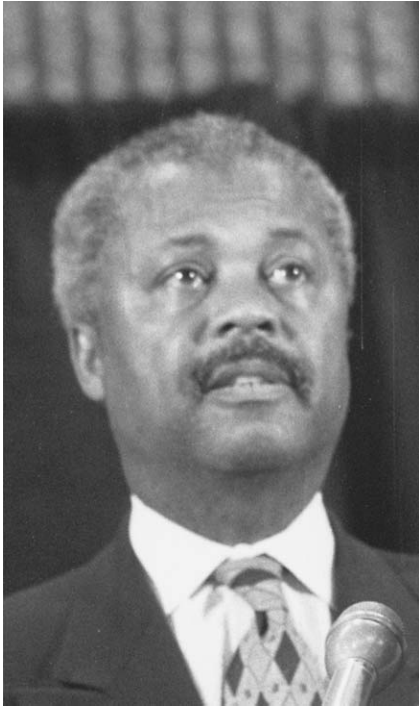
**British Minister of Overseas Development Baroness Lynda Chalker**, July 30, 1995, as reported by the London

*Independent*: "Yesterday the man credited with the remarkable turnaround in his country's fortunes [Museveni] met Britain's Minister for Overseas Development Baroness Chalker, in the capital, Kampala. She had earlier told President Moi in neighboring Kenya that his country would receive no new aid from Britain until it made progress on economic and political reforms, and on human rights. But no such harsh words were delivered to President Museveni."

*The Observer*, London, Oct. 22, 1995: "Yoweri Museveni, widely regarded as one of Africa's cleanest hands, is credited with having put his country back on its feet, after the horrors of the Amin and Obote regimes."

**German President Roman Herzog**, Jan. 29, 1996: Praising Uganda as a "haven of stability," and "pearl of Africa" during a visit to Kampala, Herzog said of Museveni: "In your governmental term, Uganda has developed into a haven of stability in a crisis-shaken region of Africa," and said that with Uganda, "we have no need for anyone to be an Afro-pessimist."

**Swedish Minister of Overseas Cooperation Pierre Schori**, Feb. 1, 1996: "Uganda is a model for the rest of Africa because of its outstanding economic behavior as well as for its achievement in its democratic reform. Uganda is living up to its rumor as the darling of the World Bank, a title it is wearing with honor."



Rep. Donald Payne (D-N.J.)



Roger Winter, chairman of the U.S. Committee on Refugees



Harvard's Jeffrey Sachs

**Financial Times**, London, April 25, 1996: "The highest economic growth rate in Africa is turning a country once associated with disaster into an inspiration for the continent. . . . Uganda has supplanted Ghana as the model pupil of the World Bank and the International Monetary Fund (IMF), and western donor support runs at more than \$500 million per year."

**International Monetary Fund**, June 7, 1996: "In reviewing the out-turn for the present fiscal year, the mission has found that Uganda's economic and financial performance has again been outstanding," said IMF representative Ulrike Wilson. "This continues the remarkable trend in Uganda's economic performance, especially over the last four years during which the economy has grown by 35% in real terms."

**U.S. Corporate Council on Africa**, Winter 1996: Museveni, along with South African Vice President Thabo Mbeki, receives an award from the Council for "achievement in opening their economies to the world market."

**Ditchley Foundation**, January 1997: In its invitation to its annual conference, where Museveni was the only African present, this elite British bankers' foundation noted that Uganda is a country in which "there is an encouraging advance" in the transition from "authoritarian structures of government into an acceptance of open democracy."

**Financial Times**, London, Jan. 27, 1997: "Uganda has been transformed from one of Africa's worst economic and political disasters into a model for the rest of the continent. It is an extraordinary achievement."

**World Bank official Calisto Madavo**, May 19, 1997: In Nairobi, Madavo hailed Museveni, along with South Africa's Mbeki, as "two examples of a new crop of African leaders who offer a renewed hope" for Africa's economic resurgence.

**Republic of South Africa**, May 17, 1997: Museveni received South Africa's highest honor, the Order of Good Hope Grand Cross, from South African President Nelson Mandela.

**Daily Telegraph**, London, June 10, 1997: Calling Museveni the African "continent's most outspoken critic of despotism," the *Telegraph* called Uganda "the *éminence grise* in central Africa" of a revolution on the continent. "The key figure behind this revolution is Uganda's President Yoweri Museveni, whose blend of political and economic autocracy has led to an 8.5% annual growth rate, unthinkable when he took power 11 years ago."

**New York Times**, June 15, 1997: Yoweri Museveni is a "leader secure in his power and in his vision. . . . The recent victory of Laurent Kabila's troops over Mobutu Sese Seko's government army in Congo marked perhaps the most impressive of Mr. Museveni's moves in the international arena."

# What's really in the bottle?

• **The feudalist:** “By defining feudalism rather than imperialism as the main problem in 1960s Uganda, Obote was creating artificial divisions among the people. . . . He thus actually served imperialism.”—Museveni’s autobiography, *Sowing the Mustard Seed*, 1995

“In the Middle Ages, there were no political parties; there was a feudal system. The middle classes and later the merchants developed liberal ideas like the freedom to exercise economic activities and freedom to express an opinion. But here in Uganda, there is scarcely a middle class. . . . For that reason, in practice liberal ideas and tolerance led to intolerance and division.”—*Rotterdam Handelsblad*, Aug. 2, 1995

• **The dictator:** On May 3, 1996, two weeks before scheduled Presidential elections, Museveni threatened civil war if he should lose the national elections, charging the opposition with rigging the elections in their favor—an absurd proposition since the control of the election apparatus was in the government’s hands: “In 1980, I warned similar idiots not to rig elections, and went on to punish them for their crimes when they rigged. This time I am warning them again. And at 52, I am young enough to cause more than enough trouble for the next 20 years, if they are looking for trouble.”

• **The slavemaster:** “I have never blamed the whites for colonizing Africa. I have never blamed these whites for taking slaves. If you are stupid, you should be taken a slave.”—*Atlantic Monthly*, September 1994

• **The British libertarian:** “We looked at central planning and found its limitations: the absence of motivation. That leads us to understanding human nature: are they selfish or altruistic? We came to the conclusion that they are selfish. So we let loose their selfish instincts to work day and night to fulfill their selfish interests—and in that way they build our economy.”—As quoted in the London *Financial Times*, Jan. 27, 1997

• **The neo-colonialist:** “We will make them [foreign businessmen] profits by selling them raw materials, cheap labor, by selling them power.”—*New York Times Magazine*, March 23, 1997

When Uganda was struck with food shortages due to drought in early 1997, Museveni declared: “I was reluctant that Ugandans are old enough, but we may apply colonial

means at least for food security,” i.e., coercive methods used to force subsistence farmers to grow mandatory crops.—*Uganda News*, June 17, 1997

• **The Malthusian:** “A United Nations study on the growth of the world’s population in the next millennium—which projected that population could grow more slowly than expected—generated hopeful news coverage in late 1996, exemplified by a headline in the *New York Times* that declared ‘World Is Less Crowded than Expected.’ However, population experts point out that the rosy picture heralded by the *Times* does not mean the world’s population worries are over. Actions taken by governments and individuals today will determine whether the number of people inhabiting the planet actually stabilizes or continues to skyrocket.”—From Museveni’s paper to the 2020 Vision conference in June 1995, entitled “Is World Population Growth Slowing?”

• **The British marcher-lord:** “I wouldn’t mind if some militaristic fellow knocks together Kenya, Uganda, Tanzania, Rwanda, and Burundi, to bring them together.”—Writing in his newspaper *Cheche*, founded at Dar Es Salaam University, September 1970.

“My mission is to see that Eritrea, Ethiopia, Sudan, Uganda, Kenya, Tanzania, Rwanda, Burundi, and Zaire become federal states under one nation. It is not a choice now, but a must that East Africa becomes one nation. Either we become one nation or we perish. If we don’t come together, so shall we perish as the Red Indians perished. As Hitler did to bring together Germany, we should also do it here. Hitler was a smart guy, but I think he went a bit too far by wanting to conquer the whole world.”—Address to the East African Law Society conference, April 4, 1997, as quoted in *The Shariat*, April 15-21, 1997

“With the Sudanese, we have run out of solutions. Whichever solutions we suggest, they don’t accept it. So I think now they will get a solution on the battlefield. That’s what they’ve been waiting for.”—As quoted by Voice of America, Jan. 30, 1997; two months later, Ugandan forces invaded Sudan.

• **The executioner:** “Amnesty [International] says executions are too harsh. We still apply the law of Moses. We still say an eye for an eye. If you kill someone, you must die.”—*Atlantic Monthly*, September 1994

• **The Fanonist mass murderer:** “But not only is violence the only effective instrument of bringing about the real overthrow of colonial rule, it is also a laxative, a purgative, an agent for creating new men. . . .

“It must be seen that the ‘invincibility’ of the enemy is just fraudulent; he is invincible because he has never been challenged by a revolutionary force using the correct methods of revolutionary violence. Hence in Mozambique, it has been necessary to show peasants fragments of a Portuguese soldier blown up by a mine or, better still, his head. Once

the peasant sees guerrillas holding the head of the former master, the white man's head cold in death, the white skin, flowing hair, pointed nose and blue eyes notwithstanding, he will know, or at least begin to suspect, that the picture traditionally presented to him of the white man's invincibility is nothing but a scarecrow. . . .

"Without a revolution, a revolutionary social convulsion, one cannot get the necessary discipline to mobilize the population. . . . It is necessary to create social convulsions so that the social institutions, the custodians of the status quo, which in a colonial situation mean slavery, are not only brought into question but are actually shaken and made malleable,

a pre-condition for successful recasting. To say that one can introduce fundamental changes without a violent shake-up is to say that one can turn ore into iron without melting it. Not only must you melt ore first, but the first must be of a very high temperature to enable you to melt it. . . .

"Let me end by quoting the great Fanon. He says:

"Violence alone, violence committed by the people, violence organized and educated by its leaders, makes it possible for the masses to understand social truths.'"—Thesis paper at Dar Es Salaam University, 1969, titled "Fanon's Theory on Violence: Its Verification in Liberated Mozambique."

## Who made it?

"Museveni is the blue-eyed darling of the British in Africa," as one high-level official of a major opposition party in Uganda explained it: "I have met with three successive British High Commissioners [ambassadors] in Kampala. They do not support Museveni; they *run* him; they tell him what to do every step of the way."

In 1981, Museveni travelled to Britain, reporting that "I also made some contacts in London with British politicians such as Lord [Peter] Carrington," of Kissinger Associates. Museveni also claims that "other British politicians" were quite willing to listen "to our side of the argument" against the Ugandan government of Milton Obote.

Since the time he came to power in 1986, up through the recent British elections at least, Museveni's primary mentor has been Baroness Lynda Chalker, Minister of Overseas Development and member of the Privy Council to the British monarchy. According to British sources, Chalker was the first foreigner to meet with Museveni after he took Kampala. One British East Africa expert further complained that Lady Chalker "spends a lot of time, a disproportionate amount of time in the Horn of Africa and Uganda."

The tale told in Uganda is that Chalker and Museveni have joint business ventures in the Karamoja gold mines of northern Uganda.

Ugandans have vivid memories of Chalker's presence in Uganda. As related by opposition leader Mrs. Cecilia Ogwal: "Her presence in Kumi district of eastern Uganda during her visit to Uganda in March 1990 will never be forgotten by many Ugandans. Together with Mr. Yoweri Museveni, Lynda Chalker was televised in Uganda behind

a barricade of sandbags as shooting was in progress in Kumi; and while hundreds of people of Kumi were dying daily in the squalid concentration camps into which they had been herded. . . ."

Under Chalker's direction, a steady stream of British expatriates has moved into Uganda—formerly known as the jewel of the British Empire in Africa—to take the "deputy" positions in the Ugandan government. As an official at Barclays Bank in London described it: "The economy is virtually run on expatriates, as they are called. They virtually run the ministries. That is how you get things done. . . . The tax collection is run by a company which is expatriate, the Ugandan Revenue Authority. . . . You have the Ugandan Investment Authority, which is also run by expatriates. That's in charge of all investment policy. . . . The [British] Overseas Development Institute has been seconding people out there."

British companies have also returned to Uganda in full force, including the British tea firm James Finlay and Sons, the Commonwealth Development Corp., Mitchell Cotts, British American Tobacco, International Distillers, Barclays Metals, Guinness, and, under London's auspices, the Madhvani conglomerate,

His services to the British Commonwealth, for example, earned Museveni a prize place at the Jan. 17-19 conference of the British Ditchley Foundation, a confab of British bankers and noble elite. At this illustrious gathering, called to discuss "Nations in Transformation to Democracy," Museveni was the only African present.

Additionally, Mrs. Ogwal has noted that "the BBC appears to be the main mouthpiece of the NRM-A government. This has made many Ugandans believe that this is a deliberate British policy to support any one person, group, or government, that will use terror to suppress the people of Uganda. Certainly, the image of the British people and their government, in the eyes and minds of Ugandans is very negative indeed."

# III. There is no democracy in Uganda

The Ugandan Parliament, on July 10, 1997, voted up the National Resistance Movement bill, put forward by Minister of State for Justice and Constitutional Affairs, E. Kirenga, thereby making Uganda officially a one-party state.

The bill states that every Ugandan citizen is automatically a member of Museveni's National Resistance Movement, and it is through this Movement only that a citizen may engage in any political activity. The Parliament voted to block all political parties from the Movement's supreme organ, the National Conference.

The National Resistance Movement is officially the political wing of Museveni's National Resistance Army. The NRM has no structure of its own in the regions and districts of Uganda. "Government structures are also NRM structures at every level," stated Cecilia Ogwal, of the Ugandan Peoples Congress, in her 1995 document "Dictatorship and Donor Policy." The NRM "has a national headquarters, but no offices or branches anywhere else. The headquarters staff are all paid from public funds. The assets or property of the NRM have all been acquired and paid for from public funds. The staff at the headquarters are appointed or removed by the NRM chairman, Lt. General Museveni, who is also the chairman of the NRA [now the Ugandan Popular Defense Forces]. It is clear that the structure of the NRM being indivisible from the structure of the dictatorship, the NRM can only relinquish its privileges and advantages in the politics and governance of Uganda when the dictatorship itself ceases to be a fact of life."

## U.S. ambassador challenges the game

The consolidation of the rule of the National Resistance Movement over Uganda has been directly challenged by U.S. Ambassador to Uganda Michael Southwick. Southwick, who leaves his post in August, told the *New Vision* newspaper on July 20 that the passage of the NRM bill would "just keep Uganda in the problems of the past indefinitely, as it seeks to 'consolidate power in the hands of one group indefinitely' " at the expense of those who have refused to join the Movement. "We see serious problems with the bill," Southwick said, "and also with the draft of the parties bill," which seeks to regulate all activities of any political parties. "This stems from a fundamental problem in Article 269 of the Constitution, which suppressed the fundamental freedoms of association and assembly."

Although the Constitution permits political parties to exist, Article 269 of the Constitution effectively bans all their normal activities, stipulating that political parties are prohibited from:

- "opening and operating branch offices;
- "holding delegates' conferences;
- "sponsoring or offering a platform to or in any way campaigning for or against a candidate for any public elections;
- "carrying out any activities that may interfere with the movement political system for the time being in force."

Museveni has initiated two new ploys to consolidate the police-state he has clamped on Uganda. First, is the "Political Parties Bill," which seeks to codify the prohibitions of Article 269, even to the point of stipulating that "every political party intending to hold a public meeting in any area of Uganda shall notify the senior police officer in charge of that area not later than 48 hours before the day of the holding of the meeting. The organisers of the meeting shall give the police officer such information relating to the meeting as he or she may reasonably require." Such stipulations could be expected to put a sub-zero "chill" on the rights of free assembly and association.

Second, Museveni is calling for a referendum to determine whether political parties should exist at all. However, given the enormous constraints already imposed on their activity, the political parties would be effectively banned from organizing in their own defense!

This referendum has come under direct criticism from Southwick as well. "You don't have a referendum on religious and press freedom," he told *New Vision*, "so why have it on freedom of association and assembly. These are not votable commodities." The American ambassador, reported *New Vision*, noted that the United States would not be contributing any funding to carry out the referendum, and then went to the core of the issue, "warning that if the possibility of political competition becomes remote, the system will become distanced from the people, authoritarian and corrupt."

Southwick's warning is echoed more bluntly in the opposition. In the parliamentary debate on the NRM bill, opposition MP Okullo Epak declared that the proposed legislation "demonstrates yet another determination of the



Movement to impose themselves on the people of Uganda. It is a state-level thuggery by which the people of Uganda are held at ransom by a corrupt group who call themselves strugglists.”

On the ground, the one-party system means that anyone challenging the Museveni regime politically is largely defenseless against the thug tactics used by Museveni’s military rule, to suppress opposition. The cases of this suppression are many. For instance, even during the 1996 election campaign when all the world’s eyes were watching, Museveni’s troops stormed an 800-person rally called to hear Paul Ssemogerere, who was running for President with the backing of his own Democratic Party, as well as the Ugandan Peoples Congress, as a “unity candidate” against Museveni. Charles Atwoki Kagenda’s interview, which immediately follows, vividly describes how the suppression of political parties worked in practice during the election campaign. As Southwick said in his *New Vision* interview, “Nobody should deceive themselves that these elections were free and fair in the sense that they met international norms.”

Harassment of journalists, including periodic arrest, is also a common feature of Uganda’s political life. In the month of June, two leaders of the opposition parties were murdered. Ugandan Peoples Congress local leader Samson

Kasajja was gunned down by unknown assailants; and Democratic Party regional leader Modesta Kabaranga was burned to death in her home, when unknown people poured paraffin on her and set her ablaze.

### Museveni’s anti-democracy myths

Museveni claims that such liberal ideas as freedom of speech, freedom of assembly, and freedom of association would only lead to chaos in Uganda, because there is no “middle class” prepared to take advantage of such freedoms. Further, Museveni and his cohorts have always maintained that if the military rule of his National Resistance Movement is lifted, the political parties will hurl Uganda into a pit of ethnic strife.

The two major parties are the Democratic Party and the Ugandan Peoples Congress, which have had a history of bitter political war against each other. However, it was not the parties that threw Uganda into periods of violence, said one Ugandan analyst, but the political leaders who stepped out of bounds of the parties to invoke the powers of the military to settle the internal political debates through violence.

Furthermore, it is the periods of total dictatorship in Uganda—not the periods of political party rule—that have seen the most wanton bloodshed in the country. Idi Amin declared war on the northern Acholi and Langi groups, especially within the military itself. Museveni’s bloody record of civil wars is documented in the next section of this report.

The wars and the rule of the military—rather than the rule of law—go hand in hand in Uganda. The wars cannot be carried out without military rule; the military cannot rule unless it has internal wars to justify and perpetuate its rule. As an editorial in the Ugandan daily *Monitor* angrily denounced the National Resistance Movement bill: “Museveni’s insistence on a one-party state against which hundreds of thousands of Ugandans shed blood and sacrificed their all is but an indication that those who died during his five-year guerrilla war in the forests of Luwero died in vain. . . . As to how much blood must flow before we see an end to these rudimentary, suppressive, and unaccommodative political systems, only time can tell.”

In this light, it is a testimony to the effectiveness of London’s international propaganda campaign on behalf of the Museveni myth that Col. Kahinda Otafire, then minister of state in the President’s Office, can be quoted by the London *Financial Times* on July 20, 1995, as saying: “The political system we have adopted has made Uganda better than it was. It is not an act of God that we have had calm and peace in the country over the last 10 years. It is not a perfect system, but it is working.”

Colonel Otafire is currently posted to Gulu, in northern Uganda, where he is in charge of the “Northern Pacification Program.”

## DO YOU KNOW

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## Patriot speaks out on Museveni's hell-hole

*Linda de Hoyos interviewed Charles Atwoki Kagenda on May 3. Mr. Kagenda, a long-standing leader of the Ugandan Peoples Congress, was most recently the director of the UPC's Bureau for Research and Information.*

**EIR:** Let's start with how President Museveni won the elections in May 1995, even though everyone knows that he lost.

**Kagenda:** It is not correct to say that Museveni *won* the elections. The elections were rigged from the beginning. There was not a free and fair platform, right from the constitution. The constitution never allowed a free and fair platform. The setting up of the electoral commission, the demarcation of constituencies—election rules were drawn up in such a way that any opposition to Museveni would not really stand. What is to our credit, is that we managed even to put up an opposition at all. To me that was where our success was. We did not simply put up an opposition; we put up a *strong* opposition, against all these odds. So much so, that at some stage, Museveni felt threatened. In fact, for part of the campaign, Museveni felt he was going to be defeated, and because of that, they used extraordinary methods to ensure that he would not be defeated. So, we were not allowed a campaign.

I can tell you for sure, that in Kabarole district, which I know very well, where I myself was one of the campaign agents for Ssemogerere, we were not allowed any campaign at all. We could not even open an office in Fort Portal. We struggled against odds to open an office; we did secure a building. We held two meetings, and we were stormed and stoned. We were stormed and stoned. The whole weekend there was turmoil in Fort Portal. This was reported in the press. I personally sent complaints to the Election Commission—to no avail. We were not allowed to hold even one meeting in the entire Kabarole district.

I will tell you more. I took campaign materials. I took Ssemogerere photographs and distributed them to our contacts throughout the entire district. I will tell you, not a single person could be allowed to put up *one* photograph of Ssemogerere anywhere in the entire district.

So, people were totally suppressed. I was brutally beaten attempting to put up photographs of Ssemogerere in my own village. The National Resistance Councils, from the branches, from the rural councils, the district councils, the local defense forces, the paramilitary local defense forces could not allow

anybody to display a poster. I have a young man in my village who was beaten nearly to death for wearing a Ssemogerere t-shirt that I had given him myself.

There was no campaigning allowed against Yoweri Museveni in the whole of the western region.

Where we made an effort to go, people came to our rallies very terrified. Terrified. But our rallies were attended, and those who attended them knew that they were going back to be beaten. In a rally at Kamwenge district, even at the rally, we were stormed. In Bunyanabu County, the agents of Ssemogerere were beaten. In Mwenge County, they were beaten. I saw them.

Ssemogerere was not even allowed to go to Kisoro [at the border of Rwanda]. Why? Because the Rwandan Patriotic Front crossed. The RPF crossed and came and *took over* Kisoro on the day that Ssemogerere was supposed to be there.

You have to say, that from that point of view, in fact, in the entire western region, there was no election as such. Everything was rigged, and the results were as they were. They simply announced the results: These are the votes for Museveni; these are the votes for Ssemogerere. Ssemogerere never even got 1,000 votes in the whole Kabarole district. Yet, in 1980, Ssemogerere got more than 45% of the votes in that district.

**EIR:** Was this the same in other areas?

**Kagenda:** I am telling you about the region of Uganda I know, where Museveni, by his own record, obtained more than 90% of the votes. It was suicidal to campaign against Museveni in those areas. So, the results are announced; Museveni got more than 97% of the votes in that region.

And I want to tell you, that in this region of Uganda, Museveni is not popular. I am speaking about an area which I know about. To go into Fort Portal and Bundibugyo [with the Ssemogerere campaign], was suicidal!

So there were no free and fair elections in 1995 in Uganda. At one point, in my home district, I was about to be killed by the local defense forces.

**EIR:** You mean by the army itself?

**Kagenda:** The local defense force is not even a constitutional body. It uses military and police matériel; it uses military and police money; it uses military and police guns, but it is an illegal body. Even in Museveni's constitution, they are not provided for.

**EIR:** But that is part of the National Resistance Councils?

**Kagenda:** Part of the system.

**EIR:** In daily life, how does the National Resistance Council operate?

**Kagenda:** The National Resistance Movement, so-called, is what is the state of Uganda. What we have is a police state.



They are no longer called resistance councils; they are called local councils. Local council 1, local council 2, local council 3, local council 5, which is a district council.

**EIR:** Are they elected?

**Kagenda:** You can say now that they are being elected, but they are all rigged in position. You cannot hold proper elections in Uganda today. We have tested that. When we sponsored Ssemogerere to be the candidate, our real target was to test whether indeed you can hold elections in Uganda. We have proved by action that there is no electoral process that can produce any meaningful results with Museveni in charge. We have said that before, and people didn't believe it. For as long as Yoweri Museveni is in charge, you cannot hold elections in Uganda, where people can express themselves openly and freely. When you cannot express yourself openly and freely, you are wasting your time. All the institutions of the state are organized against elections, against free elections.

**EIR:** What do the local councils do and how do they operate?

**Kagenda:** These are terrorist agencies. See, the local councils are the administrative organs of the state. They are the executive organs of the state; they are the judicial organs of the state. They are part of the police. They handle the security; they handle judicial matters; they handle administrative matters; they handle business! You cannot, in Uganda, get a license, unless you go through the local councils. You cannot even become a butcher. You cannot get a passport from Uganda, unless you have the signature of the local councils. That National Resistance Movement should have been ended by now, but now they are constitutionalizing it!

**EIR:** Are these people armed also?

**Kagenda:** Everybody is armed. All of them have military training. *Chakamuchaka* is a drilling process. Even old women are being drilled in militarization. They call it "democratizing the gun."

All I have told you is that our campaign, our sponsoring of Ssemogerere as a joint candidate of the three political parties, was a test—the Ugandan Peoples Congress, the Democratic Party, and the Nationalist Liberal Party—that was a test, that was the litmus test of whether you can have a democratic electoral process in Uganda.

**EIR:** These councils control everything? How many people in a normal village, or parish?

**Kagenda:** A parish in Uganda may be up to 1,000 voters. It could be up to 3,000 people.

**EIR:** How many people would be in the local council?

**Kagenda:** According to National Resistance Council statute, every Ugandan is a member, whether you like it or not.

**EIR:** But only some people have power, though.

**Kagenda:** But that is the strategy. Every Ugandan is a member, of the local council 1. That is the theory. Every citizen elects the executive of local council 1. Then the local council officials from different organizations in different areas, form local council 2, and they elect an executive, and local council 2 executives from different areas form local council 3. In effect, the local councils don't work; they only work through their executives.

**EIR:** It is the executives, then, who are the enforcers?

**Kagenda:** Yes, of the law, and the administration. You have in Uganda a totalitarian state. The Resistance Council system, or local council system, is similar to the Communist Party system. It is similar to the Jamahiriya system of Libya. In fact, the model is Jamahiriya of Libya. It is the Green Revolution thing in Libya, applied to Uganda. That is what Museveni has put in place. And people do not like it, because it was established by military might.

**EIR:** Suppose somebody is elected to one of these councils that Museveni doesn't like.

**Kagenda:** You can't. You can't be elected. How would you be elected? You would be terrorized in your house. You would not even be a candidate. Unless you surrender to them, you will not even be a candidate.

**EIR:** What does it mean to surrender to them?

**Kagenda:** That you follow their leadership. You are talking to somebody who has tested every word I am telling you, from the beginning. My problem with the Museveni system, is that from 1985-86, I refused to surrender. I refused even to attend the village council meetings. I was accused of not attending the village council meetings. I said, "I am a member of the Ugandan Peoples Congress. I want to attend only meetings of the Ugandan Peoples Congress." But they refused to permit the Ugandan Peoples Congress to hold meetings. If you attend a meeting, you attend *their* meeting, not yours. And that has been the struggle. All our members have been terrorized; to be called a member of the Ugandan Peoples Congress in Uganda is to be put up for slaughter. And so, even members of the Ugandan Peoples Congress in most areas are unwilling to describe themselves as so. The members of the Democratic Party are unwilling to describe themselves as so, because they will be terrorized.

When Ssemogerere came to Fort Portal, I organized everything. I will tell you a story: For the rally, I asked a pastor to lead the prayer to start the rally. This is the archdeacon of the Catholic Church in this city; he was the most senior member of the Catholic Church there. I asked him to lead the prayer, and he said, "Sorry, no, no, no. I am not going to lead the prayer." Because if you lead the prayer, you suffer. The Catholic sisters, I found out, had to go to their Superior to go to the rally, and they were told, "No, just send one." The Catholic sisters were not allowed to go and attend Ssemogerere's rally.

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*The World Bank is saying the Ugandan economy is doing very well, but Uganda is third from the bottom from the ranking of the least-developed. It is descending. Life expectancy is continuing to drop. The word is that people are dying because of neglect.*

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We wanted Ssemogerere to go and sleep in the guest house at the Catholic parish there. He is a prominent Roman Catholic; he is very well known in that area. He even taught at the school there. But the father told us, please, don't put us in trouble. We had paid, and the money was given back to us. So, we had to take him to a hotel. For the government to hear that Ssemogerere had slept in the parish guest house of the Catholic Church, that would mean persecution for the Catholic Church.

**EIR:** The myth in the Western press is that the Ugandan economy is booming. Is that the case?

**Kagenda:** I spoke to someone in the U.S. Agency of International Development about this. I said, "Let's see the evidence that the economy is booming." Let me tell you, from 1986 up to now, the Ugandan Railways Corp. operates only the line between Tororo and Kasese. The line between Tororo and Pakwach has not been functioning. A whole area of the country has been devastated — Teso, Lango, Acholi, West Nile — which are productive areas. The economies have been devastated. There is no cattle there anymore. They cannot cultivate the crops they used to cultivate before.

**EIR:** Why can't they cultivate?

**Kagenda:** Because there is *war*. A whole northern half of Uganda has lost more than 90% of the economic base.

The Uganda Commercial Bank is the leading bank in Uganda. It is collapsed. The Uganda Commercial Bank has collapsed — it was looted, by the Rwandan Patriotic Front and the National Resistance Army. The money was taken to fight the war in Rwanda. You go find out: Kagame has a debt in Uganda Commercial Bank. Right now, Ugandan Commercial Bank has been put up for sale, and no one will buy it. They have even financed some British bank to market the Ugandan Commercial Bank. Nobody will buy it. It is collapsed. If that has collapsed, what other banks are there in Uganda?

Barclays Bank now runs one branch. They used to have a branch in every leading city — there used to be more than 40. Today, they have only one branch, in Kampala alone. Is that evidence of a booming economy? Grindlays bank had more than 20 branches in Uganda. Today they are running one bank. What statistics are these people reading, to say that the Uganda economy is booming? Go and ask about banking, how many banks are functional. In the entire Uganda, the

economy has collapsed. Uganda Railway Corp. is not running at even 10% of what it used to do. The banks have all closed their branches.

**EIR:** What has happened to the population?

**Kagenda:** The population has no money! The Uganda shilling now is 1,050 shillings to the dollar. In 1970, it was 8 shillings to a dollar! Are you telling me that Uganda is doing better now? Even in 1985-86, when Museveni took over, the shilling was at 550. Now it is 1,050. Is that evidence of a booming economy?

There are people who are stealing. Everybody who is doing well in Uganda is a thief. There are reports that many vehicles have been imported, second-hand vehicles from Japan, but where are they? They are in the taxi park in Kampala, controlled by Museveni's wife and Salim Saleh — who have almost all the taxis in Uganda. You try to travel anywhere by public means — you can't go anywhere. Because all the traffic is concentrated in one place, the capital, and maybe to the southwest towards Mbarara. That's a busy route. The rest of Uganda is not busy.

The economy of Uganda is doing very badly. I can tell you in my own district, more than 50 schools were closed in 1992.

**EIR:** What kinds of schools?

**Kagenda:** Primary schools. Closed, closed for lack of students, because parents cannot afford to pay school fees. Parents in the rural areas cannot afford to pay school fees. There is not a drop of medicine in the rural clinics. Schools are collapsing. The International Monetary Fund is saying the Ugandan economy is doing well; God bless the IMF. The World Bank is saying the Ugandan economy is doing very well, but Uganda is third from the bottom from the ranking of the least-developed. It is descending.

**EIR:** Life expectancy is continuing to —

**Kagenda:** It has dropped! People are dying anyway.

**EIR:** They are dying of AIDS, and other diseases, or mostly AIDS?

**Kagenda:** They are dying for *neglect*. The word is that people are dying because of neglect. There is no service that is being provided by the state to the benefit of the population. I

want to tell you that the Ugandan medical service was one of the best on the continent. The Ugandan education system was one of the best on the continent. You read the statistics of 1950s, 1960s, and even 1970s, and early 1980s, and you will see. Idi Amin never committed the havoc that Museveni has committed today in Uganda.

**EIR:** What do you mean?

**Kaganda:** The economy. The economy now is being sold to Asians, to British-Asians, not Asians. I am sorry, I do not mean Indians. These are not Indians. The little trade that there is, is all being shared there between Museveni and his British colleagues and some people from Belgium, France, Germany, and Britain.

The place is being recolonized, and they say the economy is booming.

The foreign exchange bureaus are draining Uganda, and the bureaus are being run by Museveni, and Eriya Kategaya, and Salim Saleh, and the British-Asians. There is no money in Uganda, except that which is circulating among them.

The people who have money in Uganda are the military. That's what they are getting from the U.S. and Britain, and the Scandinavian countries, from the IMF. The money that is going to Uganda, may not be assigned to the military, but it is going to the military anyway.

**EIR:** Could you elaborate on the British influence in Uganda?

**Kaganda:** The Ugandan Peoples Congress has always given the foreign ambassadors of these countries all the information they need. So, they know much more than they are willing to say. I know *in camera* they agree; they know it is not possible to have free and fair elections in Uganda. The secretary of the Commonwealth Secretariat said that the Commonwealth was not willing to be involved in the Ugandan elections, because we know that the constitution and the law is against the declared position of the Commonwealth leaders in Harare; it is against the Harare Declaration [1995]. But I am amazed that after the elections, they have now reversed their position. They are willing to accommodate the Ugandan parliamentary delegation in the Commonwealth parliamentary association. They are only contradicting themselves; they know the truth: The Ugandan Parliament today does not qualify as a representative institution, because the political parties were not allowed to participate in the elections.

**EIR:** When you say, Uganda is being recolonized, who is the recolonizer?

**Kaganda:** Who put Museveni in power? He is their agent. His leaders today are British. The Conservative Party seized Museveni and put him in, and they deal with him in business. There are some American businessmen who have key interests in dealing with Museveni. They see Museveni as the new broom that can be used to sweep across Africa.

## IV. Museveni's wars of annihilation against Uganda

During the 1996 Presidential campaign, Ugandan President Yoweri Museveni hailed himself for becoming a duly elected President, after ten years in the post. In rallies, he attempted to justify his previous years of un-elected rule: "I would like to distinguish my use of violence from other dictators. We used the gun to put an end to the use of the gun. There was no other way."

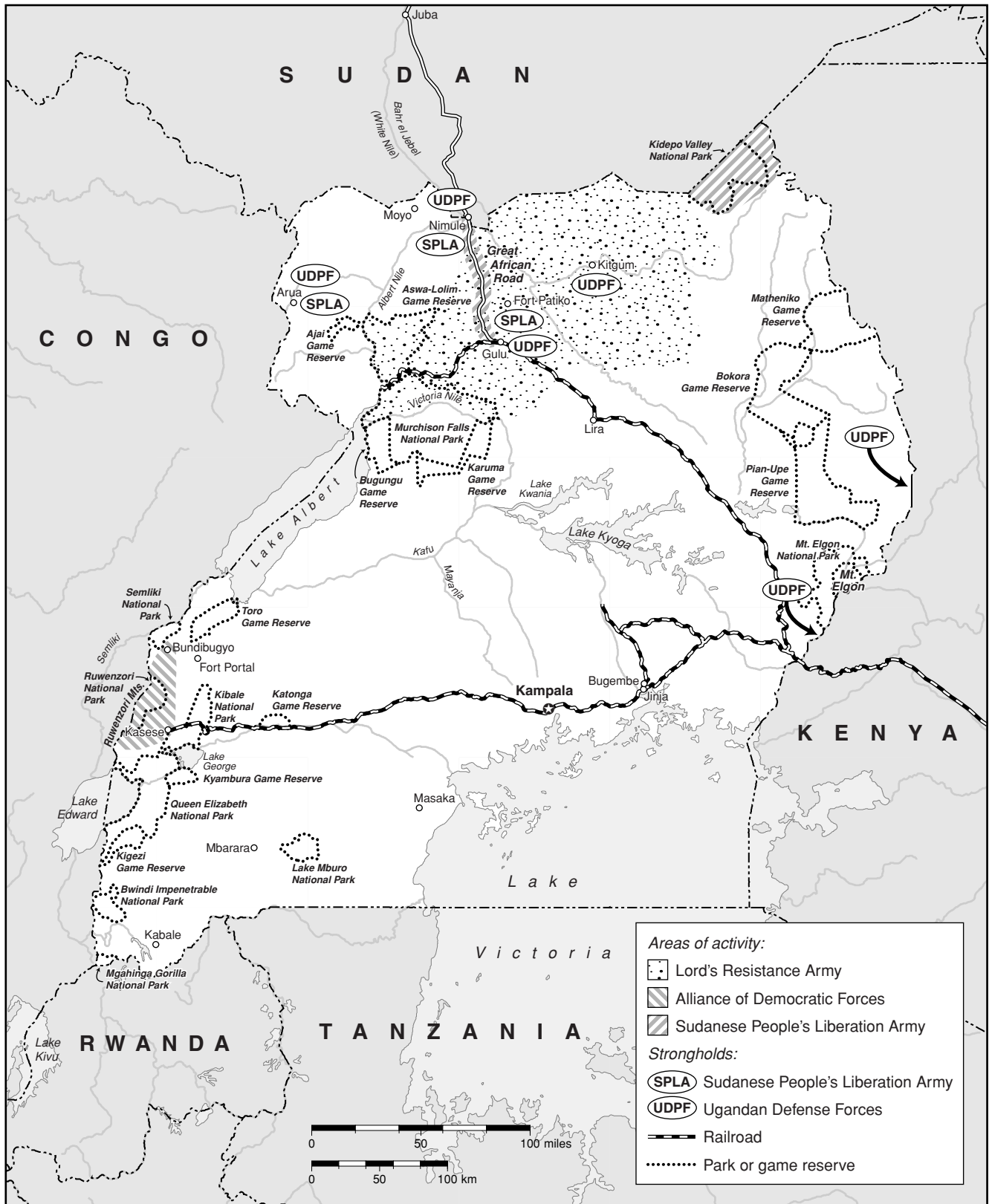
However, a review of the grim realities of life in Uganda since 1980, when Museveni took to the bush to fight the results of what he charged were "rigged" elections, reveals a different story. It is finally becoming widely acknowledged that Ugandan troops were among the invading forces against Zaire in October 1996 and remain in the Democratic Republic of the Congo. It is also known by many in the West that the Rwandan Patriotic Front invasion of neighboring Rwanda to the south in 1990 and in 1994 was carried out by a section of the Ugandan Army—some say up to 20% of its 100,000-man force.

What is far less known, is that since Museveni took to the bush in 1980 to gun his way to power, and again, since he marched into Kampala on Jan. 29, 1986, *Uganda has never been at peace within its own borders*. Not only has the "use of the gun" not been ended. It has been assiduously promoted by Museveni and his intransigent stance that any rebel force must surrender to him unconditionally.

Today, as **Map 2** shows, entire regions of Uganda are at war. In northern Uganda, where Museveni continues to fight his 11-year war against the Lord's Resistance Army, and where his cohort John Garang's Sudanese People's Liberation Army is installed with Museveni's protection, the entire economy has been collapsed; its population uprooted again and again, and dying. The region is a war zone for Museveni's own revenge against northern Uganda and his British-dictated war against Sudan. The result is that the northern third of the country is virtually cut off from the other parts, because there is no method of safe transport from say, Kampala, to Gulu, save by plane.

Now the west has also become a war zone in the last year, where the Alliance of Democratic Forces, a force regrouping former guerrilla organizations, has managed to seize towns and is going into major battles against the Ugandan Popular Defense Forces (UPDF). Insecurity reigns as well in the Kampala area itself, according to multiple sources. The only area apparently free from insurgent violence is southern Uganda, Museveni's home base, and where any funds remaining inside

**Military, insurgency, and guerrilla activity in Uganda**





*A demonstration against Congo dictator Laurent Kabila, in Bonn, June 1997, by the Civil Rights Movement Solidarity. The banner reads, "Stop the 'Final Solution' of the Kabila Alliance." Museveni was behind Kabila's invasion of Zaire in October 1996, and his own nation has never been at peace since he took to the bush in 1980.*

the country have been funneled.

The constant insurgencies ongoing in Uganda are the reason that U.S. Ambassador Michael Southwick warned, to the great annoyance of the Ugandan President, that the "security situation in Uganda is a major barrier to the tourism industry," as reported on July 12 in the Ugandan *Monitor*.

### Why the wars

Since his days at Dar Es Salaam University and his self-definition as the apotheosis of revolutionary leadership in Africa, for Museveni, any opponent, especially if armed, is *ipso facto* a "reactionary," which can only be a target of eradication through "purgative violence" perpetrated by the revolutionary. Museveni's long-standing personal embrace of the "purgative violence" theories of existential philosopher Frantz Fanon are what drive Museveni personally to oversee "the charge" against the insurgents—as he deployed himself in December 1996 "behind the sandbags" to direct operations against the Lord's Resistance Army.

However, aside from Museveni's own personal psychological needs, the instigation of wars inside Uganda has other motivations, more in line with the requirements of his British sponsors.

First, the insurgencies provide the justification for the continued militarization of Uganda's society and body politic. It provides the excuse for continued military rule; an excuse to continue to ban the political parties. In this context, the civil wars have functioned to sever the Ugandan military from

the Ugandan population, making it far more malleable as a mercenary force for British geopolitical designs in the region.

Second, the constant wars *inside* Uganda give the cover for the securing of military equipment and weaponry, which is used in part against the insurgencies, but which more generally have been diverted to use in Rwanda, Sudan, and former Zaire.

Third, Museveni's wars against insurgencies have become a war of annihilation against that section of the Ugandan population suspected of sympathizing with the insurgent force. This has brought untold suffering and death upon the Ugandan people. Counterinsurgency has thus become a vehicle for "population war" against Uganda's people, a Malthusian war of eradication against the subsistence-farming peasant Museveni considers to be the chief obstacle to Ugandan "development." In the North, it might also be a consideration to Museveni and his British mentors that such peasants are farming on land believed to be rich in gold, diamonds, and oil.

### The pattern of death

From the moment that he was appointed minister of defense in the governments of Yusef Lule and Godfrey Binaisa in 1979-80, Museveni was operating on his own agenda of taking full power in Uganda for himself. His dismissal by President Binaisa in 1980 was prompted by the fact that, under cover of the Defense Ministry, Museveni was organizing his own private parallel army. His recruits were the Rwandan Tutsis living in exile in Uganda, some since the 1960s and

others from colonial times. Many of them had been brought into the notorious State Research Bureau of Idi Amin, and upon the disbandment of the Amin regime, joined league with Museveni, himself a Hima/Tutsi.

It is this parallel army that Museveni took to the bush in 1980, when national elections brought Ugandan Peoples Congress candidate and former President Milton Obote to power. Museveni's own fledgling party, the Ugandan Patriotic Movement, failed to receive more than one seat in the parliament. Museveni, who had opposed holding any elections, cried vote fraud.

Museveni took as his base of guerrilla operations the Luwero Triangle, carved out of the area immediately to the north and east of Kampala. Museveni's war to come to power was fought from here.

Beginning in 1983, a propaganda campaign was launched by Roger Winter of the U.S. Committee on Refugees, charging that the Ugandan military, under orders from President Obote, had carried out a war of mass death against the population of the Luwero Triangle. However, it is noteworthy, that not even Museveni himself makes this charge in his autobiography, *Sowing the Mustard Seed*.

Instead, he writes, under the heading "Evacuating the Luwero Triangle," that, "As far back as December 1981, when I returned from abroad [the United Kingdom], I had proposed that we should encourage the population to leave what we called 'the liberated zones.'" It should be noted that the relocation of subsistence farmers and peasants is itself a policy that will lead to mass death, since the peasant's subsistence comes from the land on which he lives, and without whose sustenance he has no means or resources on which to live.

Museveni describes that his plan for the removal of the civilian population was defeated by his own executive, but he continues to argue in his autobiography:

Evacuation of the civilian population "would have relieved us of what became a major responsibility and would have left the liberated zones thinly populated and relatively easy to defend. . . . There were three main advantages to evacuating the Luwero Triangle zone. . . . Firstly, it would allow us to concentrate our forces for offensive operations against the enemy, instead of being forced to scatter our few rifles to try and protect the population. . . . Secondly, a depopulated Luwero Triangle would starve the enemy of information. . . . Finally, a less populated operational zone would reduce the need for the supply of food and medicines. Too many people in an operational area could lead to the collapse of the struggle because of the problems entailed in looking after them, even before one started tackling the problems of actually fighting the war."

The reality is that in the course of the war, the Luwero Triangle, the base of operations for Museveni's National Resistance Army, was *depopulated*. According to Cecilia Ogwal, in her 1995 paper, "Dictatorship and Donor Policy in

Uganda," "The war was launched [in 1980 by Museveni] not against the government or government installations, but first against citizens whose ancestors came from the North and East and settled in Luwero District. Within days of the launch, much of rural Luwero was a theatre of death and devastation. The victims — men, women, and children — were bayoneted, clubbed to death, and those who sought to run were shot. . . . People of all ethnicities fled to police stations, to the district headquarters, to the home of chiefs, to neighboring districts, and to the bush. The insurgents mined all roads and even cattle tracks leading to neighboring districts. . . .

"The second group of victims were the leaders and members of the Ugandan Peoples Congress, the party which won the 1980 elections. . . . The UPC leaders and members together with their families who failed to escape were hunted from house to house and killed.

"The third victims were the people with means — food, livestock, and money. These were ordered to provide the insurgents with such means and without payment. Those who resisted or demanded payment were tortured or killed. . . . Government troops on account of severe constraints and the mines did not get into the interior until well into 1982."

According to Mrs. Ogwal, the bloodletting in Luwero under Museveni's orders was confirmed by a breakaway insurgent group, which was captured in May 1982 by government troops. Her report brings to mind the reports of atrocities committed by Museveni's Tutsi Legions from Uganda and Rwanda throughout eastern Zaire against the Hutus over the last year:

"The [captured] inmates of the camp recounted how their leader (who was not captured) had visited Museveni's fortress accompanied by some of them for a peace conference. They told of having seen as they entered the fortress hundreds and hundreds of human heads on poles and up trees along the perimeter of the fortress. Inside the fortress, they were taken to a large grass hut in which there were many human heads with fresh blood. Pointing to the heads, Museveni was said to have told the visitors: 'This is what we do to those who don't agree with us.'

"According to the eyewitnesses, whose villages were raided and who were made to go to the fortresses, . . . from time to time in the afternoons, the very old men, the sickly (men) and boys too young to be child-soldiers were led into the bush, ostensibly to collect firewood. They were never seen again. Likewise, the female captives who were old, breast feeding, sickly, pregnant or too young were taken towards a river ostensibly to bathe and all never returned. . . .

"On becoming President in 1986, Museveni virtually confirmed the massacres and decapitations dramatically in two ways. The first was the exhibition of male child soldiers. Museveni claimed that his army found the children abandoned in villages and adopted them. The lie could not hide how only male children who were then made child soldiers were abandoned. . . .

“The second confirmation was the mocking order by Museveni that the remains of the dead be collected and exhibited on roadsides. In the collection, Museveni’s soldiers took journalists to scattered graves where only skulls were unearthed. No one who had not participated in the burial of the skulls could have known of the sites of the graves.”

The horrors of the Luwero Triangle match the pattern of Museveni’s military operations in the wars to come, after he took power.

## Destruction in the east

Museveni strode into Kampala in January 1986, in the midst of negotiations which were being held between his forces and those of the Ugandan National Liberation Army in Nairobi, Kenya. Negotiations came to an abrupt halt, as Museveni caught his negotiating partners off-guard and seized Kampala.

From 1986 through 1988, a bitter war was fought between Museveni’s National Resistance Army and the Ugandan Peoples Army in eastern Uganda, covering the districts of Soroti, Kumi, Pallisa, and sections of Lira and Apac. If, as the report on the war in the North, issued by Paul Ssemogerere and the Democratic Party, is correct, that more than 300,000 people have died in the northern war in the last decade, the deaths

were far higher in the east in the 1980s. All means of subsistence of the population in the east were destroyed. Many simply died of starvation.

Museveni himself described his method in an interview published in *New Vision* of June 27, 1989: “There was a policy of destroying food-stuffs being used by the rebels. The population was warned in advance through the dropping of leaflets by helicopters written in vernacular. These leaflets were telling the people to vacate the fire areas where the security forces would clash with rebels, to safe zones. Now whether this policy is continuing or not is no longer a major issue because we have already cleared the rebels out in most areas. In the remaining areas, there isn’t any food any more. There is nothing to destroy.”

The region was formerly the major cattle-breeding center in the country, and the city of Siroti was the site of the biggest cattle market in East Africa, with a packaging plant supplying the entire African region. The cattle were systematically taken away, by sweeps of Museveni troops disguised as rustlers. The Siroti market and plant were destroyed. Without cows, without food, without means to plow, up to 2.7 million people of eastern Uganda were left with no means to survive.

Mrs. Ogwal writes in her document, “Dictatorship and Donor Policy in Uganda,” of scenes that have been confirmed by many sources: “The operations were carried out in a vast territory which was inhabited by some 5 million people. The entire food-stuff in granaries and fields were destroyed or plundered by the army. Millions of livestock were also plundered. Also destroyed were homes, boreholes, water wells, schools, dispensaries, cooperative society stores, farm implements of all types, household goods, including chairs, tables, beds, beddings, plates, and cooking utensils and pots. Everything that could sustain life was destroyed or plundered.”

Similar policies were carried out from 1986 onward in the north, where the soldiers of the former government’s army feared that Museveni would repeat the mass murder of the officer corps carried out by Idi Amin against the Ugandan Armed Forces in 1971. As one man who attempted to negotiate a peace between Museveni and the northerners of the former government army retells it: “We told Museveni, ‘Don’t come in with the sword. If you come in with the sword, there will be violence, but if you come in peace, there will be peace.’ We went to work to disarm the [former government] troops. We were able to disarm many of them. But then Museveni came in with the sword anyway—he declared war on the north, came in, setting fire to villages, killing people.” Here too, Museveni’s troops drove the cattle of Gulu, Kitgum, Lira, and Apac to the south or further, stripping the north of its productive capacity.

By 1988, betrayal from within and political disorientation brought about the defeat of the former government forces in the east, who had been joined by Alice Lakwena’s Holy

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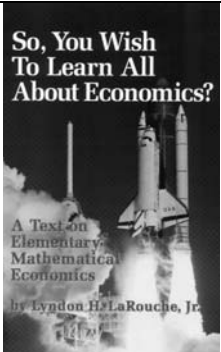
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## London's culture of the gun

To maintain control over Uganda, British intelligence relies on a political environment which functions as a petri dish for one politically ineffectual armed insurgency after another, thus ensuring that the viable alternative of the qualified political parties coming to the fore, is prevented.

This tragic reality was identified by Mrs. Cecilia Ogwal, then Assistant Secretary General of the Ugandan Peoples Congress, in her 1995 paper "Dictatorship and Donor Policy on Uganda." She wrote:

"In Uganda, it is the gun in the hand of Lt. General Museveni and that gun alone which had made him last so long. He is a gunman *par excellence*. The *New Vision*, which is the mouthpiece of his dictatorship, of 26 November 1990, reported him as having told a funeral gathering that he began to conspire in 1969 and undertook overt action to rule Uganda by force of arms. He achieved his objective, through the gun and much blood in 1986 and

has since with the support of the donor community ruled through the same means.

"Because of how Uganda is governed, the authorities announce from time to time the emergence of a new rebel group which 'has been or will be crushed.' This development of rebel groups emerging from time to time to take the place of the political parties to show opposition to the dictatorship, does not equate with any belief that there has been, under the dictatorship, much improvement in human rights observance or peace and stability. It is, on the contrary, a definitive demonstration, though still feeble, of resistance against the intensive oppression in Uganda under the dictatorship. *The growth of this form of opposition to the dictatorship and not the growth of the political parties is what the new constitution and the policy of the donor community to collaborate with the dictatorship in all schemes, will promote. . . . The donor community are eager and willing to side with the dictatorship and to make Uganda the suzerainty of a despot which, in turn, will encourage the rise or growth of gun-men groups as the only alternative voice against the Museveni dictatorship*" (emphasis added).

Spirit movement.

In 1991, the successor to the Holy Spirit, the Lord's Resistance Army of Joseph Kony, went into full operation in the north. Museveni and the National Resistance Army launched a counter-offensive against the LRA, but especially against the northern population, under the rubric that it was supporting Kony (see documentation below).

To this day, this war in northern Ugandan continues; its horrific toll on the northern populations continues. Hundreds of thousands of people in the northern districts of Kitgum and Gulu have been herded into "protected villages," surrounded by barbed wire, unable to farm or eke out an existence. In Gulu district, most of the population of 390,000 people have been forced to live in "protected villages" at 15 different sites.

On Aug. 16, 1996, Africa Features Network reported a scene that is familiar to northern Ugandans: "More than 10,000 people were rounded up in a pre-dawn operation jointly mounted by the army and the police in an effort to nab rebel collaborators over the weekend. Men, women, and children were reportedly tortured during the operation in which they were herded into a park near the town where the screening was conducted, the local press said. It was not disclosed whether any alleged rebel collaborators were identified during the operation. Maj. Gen. Salim Saleh, commander of the northern army, told the press that the swoops are among the strategies the Uganda People's Defense Forces is to use in an attempt to end the eight-year rebellion in the north."

In March of this year, according to Minister of State for International Cooperation Dr. Martin Alier, cholera broke out in the "protected villages" in the northern Kitgum district. On April 28, the United Nations openly questioned the existence of the camps: "The villages are a risky strategy, by gathering people in crowded conditions with little to do except wait for the next relief handout."

Furthermore, none of these tactics have worked to arrest the insurgency. The brunt of the attacks of both the LRA and the Ugandan Armed Forces appears to be against the population, as the community leaders of Gulu and Kitgum have protested. However, Museveni has rejected any and all calls for a negotiated settlement. Member of Parliament Ken Lukvamuzi reported on March 20, 1997, that he had been served with death threats at his home, for his demands that the government end the war in the north.

Last December, Ugandan Maj. Gen. David Tindefunza, who led the Operation David assault on the north in 1991, left his post as military adviser to Museveni. Commenting on Museveni's self-deployment to the front, he asked: "Now the President is in Gulu in sandbags. If all these big commanders can't fight Kony and it requires Museveni to go into sandbags, this country is in trouble. It shows there is something basically wrong with this country. If you go into that area [the north], you can't imagine that it is part of Uganda. If you do not end a war in 11 years and your people are dying, are you worth being a government?"



# Ssemogerere paper exposes war's havoc

*Here are excerpts from a paper presented in Kampala, Uganda, on May 9, 1997, by Paul K. Ssemogerere, president of the Democratic Party of Uganda (DP). The report, titled "Northern Uganda—Towards a Durable Solution; Peace, Justice and Democratic Self-Governance with Reconciliation, Rehabilitation, and Development," proposes a negotiated settlement to the 11-year-long war in Northern Uganda, and proposes a federal system for the country. The section printed here documents the consequences of this war on Uganda, especially its northern third.*

The Democratic Party is convinced that a programme of action embracing: an immediate cease-fire followed by a negotiated settlement, a Judicial Commission of Inquiry into atrocities committed, and the granting of substantial constitutional power for democratic self-governance to the people in the region will go a long way in addressing legitimate grievances. Exercising a reasonable degree of local autonomy, the people in Northern Uganda should then be generously assisted by Government and the international community to embark on a programme of rehabilitation, and development over which they are the masters. . . .

It is unacceptable for the international community to stand and look idly by, as hundreds of thousands of people in Northern Uganda are dehumanized and are compelled to resort to mercy-pleading on their knees, for their dear lives, before trigger-happy and, sometimes, machete-wielding combatants, perceived by them as naked oppressors and outrageous violators of human rights. The time has come to appeal for, and even to demand, peace—initially a cease-fire. . . .

The Democratic Party notes with concern and grief:

- Uganda's deplorable history of political violence, customarily wrongly blamed on political parties per se;
- the long duration, now over ten years, of the current Northern conflict under President Museveni's leadership;
- the ever-widening and unpredictable territorial coverage of this conflict;
- the scale of violence and destruction, in the conflict; and
- the unbearable cost to the country in terms of:
  - firstly, precious lives lost and missing, estimated by a Government official to be in the region of over 300,000 for Acholi alone, i.e., almost 50% of the entire ethnic community;
  - secondly, the cost in terms of thousands of otherwise

able-bodied citizens, adults as well as youth, who have fallen victim to the HIV pandemic whose considerable high incidence in Northern Uganda is directly related to the high mobility and transfer of combatants deployed for action there. It is now estimated that HIV incidence for Gulu is around 80% of women screened and is the highest in the country;

- thirdly, the cost to the nation's treasury and the resultant debilitating international debt burden, which has skyrocketed to the tune of U.S. dollars four billion (\$4,000,000,000) during the war years, from a low figure of only \$1,000,000,000 in 1986, when President Museveni captured state power;

- fourthly, the damage to, and the destruction of, the environment, wild game, domestic animals and fowl, as well as infrastructure, resulting from pollution, constant bombings and shootings, as well as other war activities including the laying of landmines, some of which, it is alleged, are manufactured in Uganda;

- fifthly, the adverse effects on the economy and people's livelihood as a result of the "villagization" policy, whereby peasants are literally forced off their farms and out of their homesteads and their everyday activities.

Consequently, in light of the above concerns, the Democratic Party deplores, in the strongest terms possible, Government's implacable position on the Northern problem, i.e., Government's insistence on only the military option within our borders, in the Great Lakes Area including the Sudan, and beyond—at whatever the cost. . . .

## Cases for investigation

**Cases for Investigations:** In the opinion of the Democratic Party, the following are a reasonable minimum for investigation under the justice programme:

(a) Violation of Human Rights, generally, especially in respect of wanton killings and looting, as well as political oppression and discrimination based on the victim's ethnic background and/or religious and political affiliation;

(b) Political harassment and persecution: for example, there are innumerable complaints of large numbers of otherwise innocent people throughout Northern Uganda who, under the pretext of security measures, have been killed, imprisoned and tortured on the basis of their political beliefs or opinions, to wit:

- the arrest, torture and imprisonment of key opposition personalities or critics in 1991, e.g., former Minister of State for Foreign Affairs and UPC leader, Omara Atubo; DP and Liberal Party leaders: Andrew B. Adimola, Zachary Olum (a former Minister) and Mzee Tiberio Atwoma Okeny, amongst many others, who languished in Luzira maximum security prison charged with the capital offence crime of treason on the basis of malicious fabrications by state agents;
- the arrest, torture and imprisonment of about 300 local leaders in Acholi in 1991, who were detained without trial

at various locations in Acholi, again on the basis of false accusations by state officials and functionaries;

- the arrest of four alleged Kony guerrillas or Kony collaborators by senior army officers in Gulu, 1996, and handing them over to a hostile and incited mob for lynching to death;

- the forceful eviction of opposition leaders, e.g., Mzee Tiberio Atwoma Okeny, from their houses and home areas.

- the arrest, torture and imprisonment of opposition supporters in Arua, e.g., Mr. Kaku Langalanga, Abdulah Musa, a one Matia [sic], etc., who are dumped in Luzira maximum security prison on a trumped up charge of treason—there to languish on remand without any early and fair trial in sight.

- the recent arrest in Arua of hundreds of people and their subsequent imprisonment in local prisons there, but without any proper prior police investigations and without any prospect for an early and fair court hearing.

- the alleged wave of terror, in Arua, in the form of arrests, threats and killings directed at staunch multipartyists and, in particular, people who campaigned for Presidential candidate Paul Kawanga Ssemogerere, who include:

- (i) one Ali, a water seller in Arua Municipality, who was allegedly tortured in the dreaded Gilgil Military barracks, and died a few days afterwards;

- (ii) Alex Drandua, a prominent Pharmacist, who was gunned down near his home in Arua Municipality;

- (iii) four businessmen: Binaisa Amule, Isaac Okulega (Manager of Top Ten Traders), Asen Langalanga and Isaac Oscar, who were rounded up by military personnel in April 1997 and are said to be undergoing torture without being tried in the law courts;

- the arrest and detention without trial of thirty-six (36) workers at Kakira Sugar Works (all originating from West Nile) following a strike at the factory over salaries, and labeling them collaborators of a rebel group operating in West Nile, the West Nile Bank Front (WNBF).

- (c) Violations of Human Rights and commission of various atrocities, including heterosexual rape and rape by homosexuals, against, in particular women, children and the youth.

- (d) Corruption, whereby it is alleged for instance, that senior officials in Government and the military are exploiting, and even perpetuating, the military situation in the North, in order to profiteer in various transactions there.

- (e) Allegations of massacres as at Namokora, Kona-Kilak, Alero, Anaka, Acholi-Bu, etc., in Acholi[land] in 1986, as well as various incidents of bombing of civilian and non-military targets by helicopter gunships, as at Alokulum in the early 1990s.

- (f) Allegation of extensive arson, i.e., wholesale destruction of stored dry food by the setting on fire of granaries in the countryside. . . .

## Genocide and Acts Against Humanity

While the Democratic Party does not assert that genocide has been committed in the North or any other part of the

country, it is a matter of public knowledge that some of the allegations levelled against combatants border on accusation for genocide. Accordingly, and in order to clear the air in this regard, two things are necessary. First, there is need to state what genocide and acts against humanity mean. Second, it is necessary to institute and conduct a credible Commission of Inquiry into all serious allegations of atrocities committed in the war to put the issue at rest, one way or the other.

# The 1991 assault on Northern Uganda

*Here are excerpts from a 1991 research paper of the Ugandan Peoples Congress, on the violence perpetrated by Ugandan President Yoweri Museveni in that year in northern Uganda.*

## 2.2 Cases of Human Rights Violations by NRM-A

### 2.2.1 Atiak—Gulu District

In March 1991, an Assistant District Administrator of Gulu district convened a public meeting at Atiak Trading Center and its surroundings. The people gathered at 9:00 a.m. as directed and waited. Army and government officials did not come until after 5:00 p.m., when they started addressing the people. As it got dark, the people who were obviously wary of the insecurity in the area, attempted to disperse before the end of the meeting. Soldiers inexcusably and randomly opened fire on the crowd. Over 100 people were killed, many fled into the bush with bleeding bullet wounds and died and many more were injured. The government admitted five dead and 25 injured. . . .

### 2.2.2 Owino Market—Gulu town

At the start of the most recent military operation against the “rebels” in Acholi (Gulu and Kitgum) and Lango (Lira and Apac) in April 1991, soldiers surrounded Owino Market in the center of Gulu town and shot 25 people dead and injured many others. Thousands of innocent people were rounded up and marched to Pece Stadium in Gulu, half-naked and having been forced to abandon all their commodities and belongings at the marketplace. Unfortunately, it rained heavily that day, soaking the crowds at the stadium. They stayed in the open for about a week, while being “screened” by the soldiers. Each day, as darkness fell, women were separated from the men; and each day and night they were being whipped allegedly because their sons and daughters were “rebels in the bush.” Again, the resident minister ordered a commission of inquiry, whose results have not been heard of.

### 2.2.3 Shooting Spree—1-3 March 1991 at Gulu

In preparation for the celebrations of the International Women's Day scheduled on March 8, 1991 in Gulu town, a shooting spree began both in Gulu town and its suburbs and it went on for the whole week prior to the celebrations. It was reported by the local news media and also by the BBC that "rebels" were attempting to disrupt the celebrations. People were shot dead, including some students at Layibi College, Unyama T.T.C., and Sir Samuel Baker Secondary School, and many houses and granaries were burned out in areas immediately surrounding Gulu town. Shooting stopped at about 9 a.m. in the morning of the 8th March when the celebrations began. The local people believe that the action was taken in order to force many people to the town and hence to the "celebrations."

The British High Commission, the French Embassy, and the UNDP representative attended the celebrations and spent the night as guests of the resident minister, Mrs. Betty Bigombe, in Gulu military barracks.

### 2.2.4 Abim Hospital and Secondary School

In the same month of March 1991, it was reported by the local press that "rebels" of Kony group [Lord's Resistance Army] from Kitgum district had raided Abim Hospital and Abim Secondary School looking for drugs and to recruit boys and girls from Karamoja. They burnt the buildings and houses in the vicinity before abducting over 80 students. Fifteen (15) are still missing. The NRA urged the Ikarimojong elders to mobilize their young warriors and to go on a rescue mission for their kith and kin. It was later understood that the raid was actually masterminded by the NRA in order to trigger off a direct conflict between the Ikarimojong and the Acholi. The aim was to weaken both these groups as a way of reducing their imagined threat to the NRM-A.

This game of Acholi-Karimojong "raiders" has been used to cover up cattle-rustling by the army. Indeed, the NRA reported recovery of the cattle that had been raided from the "raiders" but the cattle were never returned to their owners. This is an old game which began in Teso in 1986 and which plunged this area into war as the Iteso fiercely tried, albeit in vain, to resist and protect their properties and lives.

### 2.2.5 The Ngeta Incident—March 1991

While the shooting spree was going on in Gulu and raiding was going on in Kotido at Abim, preparations for Lango had been completed. Rumours of "intelligence reports" indicating that the Ikarimojong were coming to raid in Lira and Apac were circulated. Before the week ended, it was reported that "Kony rebels" from Acholi [Lord's Resistance Army] had attacked Ngeta National Teachers College and abducted girl students; in spite of the presence in the College of armed NRA soldiers who, according to the reports, had prior knowledge of the impending attack.

Soon after this raid, there were further "intelligence reports" indicating that an extended raid by the Ikarimojong to cover Lira town for the remaining cattle was expected. Indeed, the raids were carried out; the cattle were found the following morning in the military barracks in Lira town, with some being loaded onto lorries for unknown destinations. A government Minister of State who was in town that morning (he has since been arrested and charged with treason) witnessed a demonstration by the town residents.

Later on, the Prime Minister, who is born and comes from the area, together with the Division Commander of Lira Division, joined the Minister of State and addressed the enraged people. That day, government offices, shops, markets, and all public places remained closed. It was a day of reckoning because it had now become crystal clear that the Ikarimojong cattle-rustlers and Kony rebels were actually the NRA. The Divisional Commander then promised to return the livestock to the owners, but up to now nothing has ever been heard of these cattle. What seems to have happened is that the NRA then turned its wrath on the local elders, leaders and opinion leaders. Many were subsequently arrested by the army, tortured at Lira army barracks and because of public pressure, were eventually charged of treason.

### 2.2.6 Operation David—April-May 1991

The stage for Operation David—NRA operation in the four districts of Kitgum, Gulu, Lira and Apac—began under the command of Major General David Tinyefunza.

The four districts were sealed and cut off from the rest of the country and the world at large. Both local and international agencies, government and non-governmental organizations were all dispossessed of their communications gadgets and other necessary facilities and ordered to vacate the area. For two months, no person was allowed to enter or leave the area.

Apart from the official looting and destruction of both property and lives, thousands of innocent villagers were rounded up and kept in the open in military camps for weeks under constant torture by the soldiers.

While the NRA was committing horrendous atrocities in that area, the NRM propaganda machinery was set in full motion. The local press and even some sections of the international news media sang praise to the NRA; citing it as a brave operation. However, following protests from Amnesty International, the NRA set up military court martials to try thousands of villagers that it had rounded up. Eventually, over seven hundreds (700) were sentenced to prison terms of up to five years in prison without any appeal. These were then distributed to various prisons in the country and are serving their sentences. . . .

It will be noted that these were mostly young, able-bodied and productive people. This justifies the belief that

the NRA has targeted this age group in order to destroy the area economically and weaken its imagined political and military opposition. . . .

To the surprise of most Ugandans, most particularly the UPC, the operation which, in no uncertain terms, is aimed at destroying the region's economic potential and its ability to sustain its needs as a means of destroying or weakening the imagined political opposition and military threat to the NRM-A, coincided with the announcement from the British High Commission of the introduction of visa requirement for Ugandans wishing to travel to Britain. It is very well known that people presently wishing to travel and seek refuge outside Uganda are mostly from the Northern and Eastern parts of the country who are running away from death. In the process of filling these visa forms, anyone who indicates that he or she is running away from the violence in Uganda would automatically be denied a visa.

It is now difficult to distance the British High Commission from complicity in Operation David. Indeed, many Ugandans took the announcement from the High Commission as part of the operation, to trap the people of Northern Uganda by sealing off all escape routes. Judging from the strong relations existing between the British High Commissioner and President Yoweri Museveni and also his close

and longtime relationship with the British Minister Lynda Chalker, the majority of Ugandans feel that the British are being innocently dragged into this concealed extermination plan of the people of Uganda. This many have serious repercussions on the future relations between the two countries. It may also spill over to other neighboring countries as speculation (if proved true) has it that most of the young men rounded up in the North and North East of the country and transported to the southwestern part of the country end up in the RPF [Rwandan Patriotic Front] training camps that are known to be there.

[The character of the offensive in the North is epitomized by these reports, among many recorded by the UPC, of killings of civilian populations.]


(b) On the 8th July 1991 a helicopter gunship bombed Keyo Primary School and injured 20 school boys. They are in Lacor Hospital in Gulu. . . . (f) On Sunday 28th July, 1991, in Orum village in Lira District, the following people were bombed and died in their gardens. Mr. Alol, Mr. Omadi, Mr. Okello Albino, Mr. Peter Okec, Mr. Charles Omara and Abongo; plus six others whose names have not been verified. This simply shows how dangerous it is even to work the land for subsistence — which is actually the major preoccupation of the villagers.

## Videotapes Available from FDR-PAC

### The U.S. Backers of Britain's Africa Genocide



EIRNS/Stuart Lewis  
**FRONTMAN:** New Jersey Congressman Chris Smith



Courtesy of Adella Hardin, Elko Daily Free Press  
**KINGPIN:** Former President George Bush, who is a board member of Barrick Gold, which led the 1996 mining companies' invasion of Zaire. Here, Bush visits Barrick's Goldstrike facility in Elko, Nevada, along with former Canadian Prime Minister Brian Mulroney.



EIRNS/Stuart Lewis  
**FRONTMAN:** Virginia Congressman Frank Wolf

**Africa: Looting Ground for 'Bush, Inc.' or Breadbasket for the World? Part 1,** Jan. 11, 1997: 1 hour, \$20 [FDP 97-002]; or, 2 hours, \$35. [FDP 97-005]; (dubbed for Spanish: 1/2 hour, \$20 [FDP 97-007]).

**Africa: Looting Ground for "Bush, Inc." or Breadbasket for the World? Part 2,** Jan. 25, 1997: 1 hour, \$20. [FDP 97-004]

**Never Again! London's Genocide Against Africans,** June 18, 1997: 1 hour, \$20 [FDP-97-012]; or 90 minutes, \$30 [FDP-97-013].

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EIRNS/Stuart Lewis  
**BLOODSUCKER:** Televangelist 'Diamond' Pat Robertson



EIRNS/Stuart Lewis  
**KABILA'S BUDDY:** U.S. Refugee Committee chief Roger Winter

# V. Uganda: Whence do you come and whither do you go?

by G. Lukongwa Binaisa

*Mr. Binaisa is the former president of Uganda, and provisional chairman of the Africa Civil Rights Movement.*

As it was in 1897, so it is today in 1997. Then, Uganda was trying to get out of the morass that it sunk into after the death of King Mutesa I of Buganda on Oct. 9, 1884. Oct. 8, 1962 is the date on which Uganda gained her independence from Great Britain. The country was rendered unstable, and almost ungovernable by tribal and religious wars. Today, in spite of the National Resistance Army—now known as the Ugandan Popular Defense Forces, to make it sound like a normal army of a civilized country—freedom is a far cry. Large areas in the north of the country are not yet subdued; the UPDF is still fighting an insurgency in the area.

President Museveni and his pscophants in the National Resistance Movement, his one-party dictatorship, have refused to learn the big lesson of history, that the use of violence merely for the sake of seizing political power and maintaining that power by using the army to silence all opposition, destroys the nation. Such a leader's rule depends on the threat that he can turn the country into a horrendous killing field at any time he chooses to let loose the weaponry in his armory.

The Uganda whose leading aim at the time of independence was to eradicate poverty, ignorance, and disease, and whose social services were the envy of many countries, is now ravaged by famine. In Kumi and Teso districts, out of a projected population of 300,000, some 100,000 are famine-stricken, suffering from all diseases brought about by malnutrition. Diseases which had been brought under control, such as malaria, typhoid, leprosy, cholera, sleeping sickness, and dysentery, are now back with a vengeance. To make matters worse, AIDS has taken a heavy toll on the lives of Ugandans. Today, Uganda is losing its population at one of the fastest rates in the world.

President Museveni is one I liken to the Roman Emperor Caligula, who was so arrogant that he had the nerve to appoint his horse as "Roman Consul." Museveni looks down upon all non-Himas and non-Tutsis, as if they were not human beings, but some lower species of creation. His life, as those who have read his autobiography have seen, revolves around the cow, which may shed some light on how he looks at the

non-Hima and the non-Tutsi. Such a view coheres with his statements to the *Atlantic Monthly* that he did not blame the whites for slavery, since if you are stupid, you should be taken as a slave. Museveni can say this and get away with it, not because he is loved, but because he is feared.

Furthermore, Museveni, behaving according to character, has, by the new law forbidding persons to leave his one party, the National Resistance Movement, and by his threat to hold a referendum to decide on whether to have one or more parties, put Ugandan back to colonial status, where the fundamental human freedoms have been abrogated through the back door.

Museveni's government is the only government in modern times to carry out what was literally a daylight robbery, when, by decree, he took 30% of everyone's money at the bank early in his regime, without explanation, without even telling the horrified public what he did with that money. It must be recalled that when Museveni was fighting his guerrilla war against Obote, on more than one occasion, he robbed some Ugandan banks, leaving behind useless pieces of paper in the form of "IOUs" which have never been satisfied.

A cursory look at statistics shows that since the commencement of Museveni's regime in January 1986, more than 3 million people have perished, including refugees from wars which he launched, as in Rwanda and Zaire. This number of people is ten times greater than the number killed in the eight years of Field Marshal Idi Amin's rule. Yet the press in the West chose to ignore the genocide, and concentrated on telling Africans that in President Museveni, they had a "new leadership."

The truth of the matter is that Museveni is building a new British Empire in the same mold as Cecil Rhodes, the British buccaneer and millionaire who aspired to building a Cape to Cairo railroad, passing through British territory all the way. In the case of Museveni, he wants a new British Commonwealth in East and Central Africa, of which he will be the viceroy, after turning the continent into a vast Bantustan for mainly British corporations with their sisters in Canada, but very few in America, to govern from the boardrooms under the transparent fraud of privatization. The African will once again be reduced to a drawer of water and a hewer of wood. The nation-states of Africa will have ceased to exist.



*Former Ugandan President Godfrey Binaisa (speaking), at a forum of the FDR-PAC, Jan. 25, 1997. With him is Lyndon H. LaRouche, Jr. The forum was titled "Africa: Looting Ground for Bush, Inc., or Breadbasket for the World?"*

## What to do

I believe that the African Civil Rights Movement, of which I am the provisional chairman, is correct in working to mobilize international public opinion to bring pressure to bear on those African rulers, like Museveni, who have turned themselves into unbridled despots, governing their countries as if they were private estates.

The African Civil Rights Movement shall continue to speak for the voiceless, to convince our rulers of the need for a true democratic and economic development in which we can all share, instead of the current policy of sectarianism and insidious discrimination on grounds of ethnicity. All Ugandans must stand equal, not only before God, but also before the law; and each must enjoy the same privileges and rights as the other. We shall not permit the policy of "Black on Black" apartheid to become a cancer in our midst.

We must be vigilant against those who, under the pretext of privatization, are "privatizing" the wealth of the country into their pockets, and are giving away the patrimony of the country on the cheap. We did not fight for independence only to give it away to the first bidder. Uganda, as a Sovereign, must never become a mere appendage of the big foreign corporations or a nation of paupers where a handful of millionaires flourish. If we permit this to happen, as it is happening now, the African will once again be a sojourner in his own land, living in a new version of Bantustans.

Neither the African Civil Rights Movement, nor myself, have any room in our minds to instigate the African people to violence. We condemn violence without reservation. We are horrified by the horrendous genocide now taking place in the

Great Lakes region of Africa. The wanton killings of refugees, merely because they are "Hutu" and do not belong to the aristocratic "Hima" and "Tutsi" who rule the area by "Divine Right," and practice a new brand of "Black on Black" apartheid, as opposed to the defunct "White on Black" apartheid, is most revolting and completely unacceptable.

I do not believe that the struggle needs confrontation of violence. Violence breeds violence. There is still a chance to stop violence. There is still a chance to stop people being killed, whether they are Hutus, whether they are Acholis in northern Uganda, whether they are southern Sudanese, whether they are in Somalia, whether they are Congolese, or in the Republic of Congo in Brazzaville or the Democratic Republic of Congo in Kinshasa.

We have realized that until we mobilize the entire population of the United States, as I am calling upon you, those who believe in the principles of the African Civil Rights Movement, to call upon members of your state legislatures or provincial legislatures, to act to stop the genocide in Africa.

We are losing young people who haven't even been given a chance to live their lives normally. We are losing thousands upon thousands of women, innocent women, and little children who have not even been permitted to grow up. This is my concern. If we say we had better go all-out to fight a war against Kabila, that is not as quick a solution as the solution that can be invoked if the President of the United States were to act to end the holocaust in Africa, by bringing the British Commonwealth to account for the holocaust in Africa and for the actions of their warlord, Ugandan President Yoweri Museveni.

## Work advances on 'southern tier' of Eurasian Land-Bridge

by Mary Burdman

Southeastern Asia, with a population approaching 500 million people, has a troubled past. Years of war in Vietnam and Laos, and genocide in Cambodia; conflicts between China and Vietnam, and Thailand and Laos, only ended in the latter part of the 1970s. Basic infrastructure, in many regions, has developed little during this entire century; and, the economies of the so-called "Asian tigers" are now totally vulnerable to all the dangers brought on by the world financial collapse. Yet, over the first half of 1997, there has been a growing movement throughout the region, in collaboration with, especially, China and India, to change the course of developments by expanding the "southern tier" of the Eurasian Land-Bridge.

The work to be done is enormous: There are still *no* rail connections from India and Bangladesh, to Myanmar; there are no rail connections from Myanmar to Thailand; Laos has no railroads at all; Cambodia has only the remains of unusable rail track along its southern coast; Vietnam and China have just re-opened their antiquated rail connections. All other basic regional infrastructure is in similar condition.

It is in building the "southern tier" of the Eurasian Land-Bridge, that more and more Asian leaders see the real potential for solving the political, economic, and social problems of their region.

### Myanmar, Laos join ASEAN

For example, on July 23, Myanmar, along with Laos, became a member of the Association of Southeast Asian Nations (ASEAN). This event was greeted in a commentary by China's official Xinhua news agency as follows: "Burma [Myanmar], after standing alone for several decades, finally joined ASEAN. . . . Burma's entry into ASEAN contributes not only to the development of the country but also to peace, stability, and development of the region.

"Burma's integration into the regional grouping is seen as not only an opportunity for the country in the development of its economy and trade and attraction of foreign investment, but also a challenge to it in commodity production and market competitiveness. . . .

"Burma's joining of ASEAN would also contribute to the transport sector of the Southeast Asian region. The eventual establishment of regional highway and railway networks would in turn promote the economic development of the region."

This policy stands in stark contrast to the onslaught against Myanmar from Western state departments and foreign ministries, which, alleging "democracy" and "human rights" violations, do not recognize the military governing authorities.

However, Myanmar's Foreign Minister Ohn Gyaw stated at the ASEAN Regional Forum in Malaysia on July 29, that his country was taking action on a national and regional level against drug production, and said that the problem of opium poppy cultivation had begun under British colonial rule. In February, China and Myanmar entered into a comprehensive agreement on "narcotics suppression through crop substitution." Since the beginning of this decade, China has been providing agricultural expertise to peasants in the "Golden Triangle" region, to teach them how to produce rice and other products for export, and end opium poppy cultivation. Myanmar had been reluctant to enter into agreements for developing the upper Mekong River, because that region, the Shan area, has been under the control of opium armies, although drug warlord Khun Sa surrendered in January. Now, Chinese experts from bordering Yunnan province have been assisting in expanding the crop-substitution project in Myanmar.

## Thailand's pivotal role

The government of Prime Minister Chavalit Yongchaiyudh of Thailand has been playing a pivotal role in the broad Asian diplomacy around the Eurasian Land-Bridge. For the past year, the terrible weaknesses of Thailand's export-oriented "pussycat" economy have been showing themselves. While Chavalit has been moving toward another policy, his country and its neighbors have been the targets of brutal attacks from the likes of speculator and drug-legalizer George Soros, who is trying to force Thailand into the grip of the International Monetary Fund.

Prime Minister Chavalit has been at the center of efforts to expand relations with Asia's two giants, China and India. He led a 120-member delegation of ministers, military officers, and business leaders on an April 2-5 state visit to Beijing, where he discussed fostering all-round cooperation with Chinese Prime Minister Li Peng. The two leaders discussed how to expand cooperation in waterpower, rail, ocean-going transport, mutual investment, and trade. China, said Li Peng, is willing to work with Thailand and other ASEAN nations for the peace, stability, and prosperity of the region and the world as a whole. Their agreements included collaboration on building a road, to be completed by the year 2000, through northern Myanmar into Yunnan; broader collaboration on Mekong regional development; drug control; Chinese production of bulk, container, and tanker ships for Thailand; and military cooperation. Not only did China give Thailand very generous terms to buy military hardware, but Liu Huaqing, vice chairman of China's Central Military Commission, said that, being aware of Thailand's financial difficulties, China was "ready to terminate debts the Thai military incurred from earlier weapons orders."

Chinese-Thai ties were further strengthened when, during the first week of June, the two nations' Joint Committee on Economic Cooperation held its eighth session, the first in five years. In addition, China and Thailand signed an agreement on cooperation in civil and commercial matters, the first such bilateral legal accord ever signed by Thailand. Foreign Minister Prachuap Chaiyasan stated that Thailand realizes China will be its biggest trading partner in the near future.

At the Joint Committee meeting, chaired by Deputy Foreign Minister Pitak Intrawitayanunt and China's Deputy Minister for Foreign Trade and Economic Cooperation Li Guohua, both sides emphasized that their bilateral cooperation will benefit the entire region, particularly their immediate neighbors along the Mekong River. Pitak stated that the two countries will march into the 21st century with a view to thinking "globally and act[ing] locally," and stressed the importance of China's "ample experience around the world" in improvement and construction of railways, roads, bridges, ports, environmental preservation, electricity, communications, and petroleum projects.

Specific joint proposals discussed included creation of an aviation link to connect south China, north Myanmar, and

Thailand, and Laos, Cambodia, and Vietnam; and fertilizer and paper-pulp production. China also wants Thai investment in hydropower sub-stations, especially in Yunnan, and further Thai investment in China's central and southwestern regions.

## Bringing in South Asia

Regional diplomacy is also extending to the Indian subcontinent. On June 6, ministers from Bangladesh, India, Sri Lanka, and Thailand held a press conference in Bangkok to announce a new regional group intended to build infrastructure to link the subcontinent to ASEAN. The name of the new group is BIST-EC—an acronym of the four nations' first initials and "economic cooperation." Deputy Foreign Minister Pitak played a key role in the initiative, press reports said.

"Thailand started the idea and Thailand has the vision; India is going to play a very important role in making this declaration reality," Indian Minister of State Saleem Iqbal Shervani stated.

Professor Somchai Phagaphasvivat of Thammasat University in Thailand said the group will fill the gap not addressed by the ASEAN Free Trade Area. "There is no mention of road linkage, and BIST-EC could help fill this infrastructure gap between its members and other regional countries," he said.

Myanmar will be given observer status. Thai Economic Affairs Director General Kobsak Chutikul said, "Myanmar is the link that we cannot afford to overlook, irrespective of their human rights track record." He added that Asian Highway No. One will connect Thailand's Laem Chabang Industrial Estate to Myanmar's Tak Mae Sot.

The creation of BIST-EC was apparently not to the liking of the international financial system's World Bank and Asian Development Bank, because it has too broad a scope, the Dhaka journal *Holiday* reported on June 10. India, in particular, did not like the World Bank's favored policy, because of New Delhi's reluctance to allow the involvement of international agencies in subregional projects, of a "South Asian growth quadrangle," because the bank's multilateral policy conflicts with India's focus on direct bilateral relations with other nations.

Former Thai Prime Minister Chatichai Choonavan visited New Delhi the week of June 23, to promote Indian-Thai cooperation in various economic areas. Chatichai had visited India as prime minister in 1989, and now heads the Chart Thai Party, representing Thailand's business interests. Chatichai is a good friend of India's new President, K.R. Narayanan. In addition to meeting many ministers and officials, Chatichai spoke at the Chamber of Indian Industry on June 25. Promoting closer ties with India, which he calls Thailand's "look west" policy, Chatichai endorsed the BIST-EC, which he said would become the mover of the "Bay of Bengal growth area" project.

"The opportunity does not stop there. Thailand, by virtue of its geography, is well-positioned to serve as a bridge be-



tween the oceans. We have under way a feasibility study on the Southern Seaboard project [in which] a Land-Bridge would be built comprising road, rail, and pipeline links between the Andaman Sea and the Gulf of Thailand. If given the go-ahead, the project would provide a connection between our 'Look East' and 'Look West' policies." Chatchai called for cooperation in agro-industry and aquaculture, heavy industry, telecommunications, and information technology.

## **China and Vietnam**

Do Muoi, General Secretary of the Communist Party of Vietnam, visited China on July 14-18 at the invitation of Chinese President Jiang Zemin and Prime Minister Li Peng. The leaders discussed all-round expansion of Chinese-Vietnamese relations, economic and trade ties, and seeking solutions to remaining border issues. Do Muoi, who last visited China in November 1995, emphasized the importance of strengthening scientific and technological ties.

In his meeting with Vietnamese Foreign Minister Nguyen Manh Cam, his Chinese counterpart Qian Qichen said that China is ready to resolve the issues of both land and sea borders in the Beibu Gulf, on the southern Chinese-northern Vietnamese coast. A Xinhua commentary in March said that, in the early 21st century, the Beibu Gulf area could become a new economic center, like the heavy industrial belt around Bohai Bay in north China. Beibu Gulf has large oil-gas and iron reserves. Hainan Island Province, on the gulf, is building a heavy industry corridor, Xinhua reported.

En route back to Vietnam, Do Muoi also on July 16 visited Kunming, capital of Yunnan province, where he discussed trade and economic cooperation with provincial leaders.

China is also expanding ties with Malaysia and Indonesia. Malaysian Supreme Head of State Tunku Ja'afar arrived in Beijing on July 8, as a guest of President Jiang Zemin, to promote Sino-Malaysian cooperative ties. Days earlier, the China-Malaysia Joint Economic and Trade Commission had met, led by Chinese Vice Minister Li Guohua and Malaysian Secretary General of the Ministry of International Trade and Industries Asmat Kamaludiny.

Also, on July 4, the Joint Commission on Economic, Trade and Technical Cooperation between the governments of China and Indonesia, met in Jakarta, for the first time since 1994, with the participation of Indonesian Trade and Industry Minister Tungki Ariwibowo and Vice Minister Li Guohua. Indonesia now is the China's 15th biggest trade partner.

## **Building infrastructure**

These political events are going on in the context of real, though slow, economic development. Among the most important are the opening up of the huge, landlocked interiors of China and Myanmar, by making southeastern Asia's great rivers, the Mekong and the Irawaddy, channels to the sea. This area is very mountainous and rugged, making such waterways all the more vital.

On May 6, China reached an agreement with Myanmar on the joint development of the Irawaddy River, to open a new channel from southwest China to the Indian Ocean. The agreement will give Yunnan province direct access, via China's No. 320 national road, to the Irawaddy. The road will connect Kunming, through the border "land port" city of Ruili, to Bhamo in Myanmar, a harbor of the Irrawaddy. Down river 1,300 km is Rangoon, capital of Myanmar and an Indian Ocean seaport.

To the east, the Mekong, the central waterway of all south-eastern Asia, is also becoming an international economic corridor. Xinhua reported on May 25 that transportation authorities in Yunnan are conducting a dredging project on Lancang River, the upper reaches of the Mekong, to make it navigable year-round. The river, the eighth longest in the world, flows 4,800 kilometers through China, Myanmar, Laos, Thailand, Cambodia, and Vietnam, but ships cannot sail on the Lancang during the dry season because of rapids and shallow water. Annual cargo trade on the Lancang River-Mekong River climbed to 60,000 tons in 1996, up from 10,000 tons in 1993. The outlook for border trade has become more favorable because of the eagerness of the Chinese, Lao, Myanmar, and Thai governments to tap the potential of the river, Xinhua reported. Besides holding conferences and joint investigations, these nations are negotiating a multilateral cargo transportation agreement to allow direct shipping.

## **Rail and road**

Since the 1960s, the Trans-Asia Railroad project—a plan to finally connect all the "missing links" in rail connections from Singapore to Europe—has been under discussion. Wars, both cold and hot, and economic turmoil, have prevented any real progress, but serious discussion was revived at the Asia-Europe Meeting (ASEM) held in Bangkok last March.

Malaysian Transport Minister Ling Liong Sik, designated responsible for the project at ASEM, appointed a consortium of two Iranian firms to conduct a feasibility study for the railroad, which he announced at the opening of the "Exporail Asia '97" exhibition, the second international exhibition of rail technology for the Asian market, in Kuala Lumpur on June 2. The two Iranian firms will focus on technical and engineering aspects of the project, and are expected to complete their studies by next year. However, Ling Liong Sik said that the funds for the study from the Malaysian government, 2 million ringgit, are inadequate and he is looking for other funding.

On May 19, Chalongphob Sussangkarn, president of the Thailand Development Research Institute, at a transport seminar, proposed that Bangkok not compete as an aviation center, but serve as the hub of a land link connecting the capitals of Vietnam, Cambodia, Laos, Myanmar, Malaysia, and Singapore via high-speed rail. He indicated the population density of the region would make such a network feasible within the next 15 years. At the 300 km/hour speeds achieved by

France's high-speed rail system (TGV), Chalongphob said, Bangkok to Ho Chi Minh City or Yangon would be three hours; to Vientiane or Phnom Penh, two hours.

While these projects remain to be built, on a national and regional level, the rail network is expanding. On March 18, Prime Minister Li Peng and Vice Premier Zou Jiahua attended a ceremony in Baise City to celebrate the completion of track-laying for south China's new Nanning-Kunming railroad. This 900-km railway connects Nanning, capital of Guangxi, to Kunming, capital of Yunnan, with a line that runs north to Hongguo, in Guizhou Province. Building the railroad was very expensive, because of the rugged, mountainous terrain, but is an example of what can be achieved. The project included 477 bridges and 258 tunnels, including the 183-meter-tall Qingshuihe bridge, China's tallest railway bridge, in Guizhou. The new rail line will greatly enhance economic cooperation between China and southeastern Asia. The railroad should be in operation by the end of this year.

On April 18, marked by an official ceremony in Hanoi Railway Station, passenger train service between Vietnam's capital Hanoi and the southwestern Chinese city of Kunming restarted, after a 17-year break. The 32-hour, twice-weekly through-service means passengers will no longer have to change trains at the border. The first direct passenger rail link between Hanoi and Guangxi Zhuang Autonomous Region in China was re-opened at the beginning of last year. The track had been built by the French about 100 years ago to carry goods from southwestern China to the sea at Vietnam's port city of Hai Phong.

Vietnamese Deputy Prime Minister Tran Duc Luong met in Hanoi with Chinese Vice Transportation Minister Hong Shanxiang and his party on June 4, to discuss strengthening bilateral cooperation in transportation. Tran Duc Luong said that Vietnam, increasing its infrastructure construction, and with air, railway, and highway links now open, wants to strengthen cooperation with China in highway, railway, and harbor construction, especially with Guangxi and Yunnan provinces. The two nations also signed a protocol on motor vehicle transport between the two countries, and new routes have since been opened.

Vietnam has greater plans. Prime Minister Vo Van Kiet, in an interview to Vietnam's *Youth Daily* in February 1997, described three future projects: the high-speed industrialized Truong Son Route project, the high-speed Hanoi-Dien Bien Route project, and the high-speed Hanoi-Ha Long Route project. Vietnam has built a north-south power grid, bringing power from the north to central and southern Vietnam, which is essential to ensure an adequate pace of development of the south.

## The Mekong

In preparation for Cambodia and Myanmar to join ASEAN, the foreign ministers of Thailand, Cambodia, Laos, and Myanmar met on April 20 to discuss a new Mekong

region "economic circle." The "economic circle" will emphasize building rail and road routes to reconnect the ancient trade routes of the region. Thailand and Myanmar are planning a road and a rail link between the deep-sea port of Laem Chabang and the Myanmar town of Tavoy, which is also being transformed into a deep-sea port, eliminating the need for the week-long trip round the Straits of Malacca to the Gulf of Thailand.

Bridges are also being built across the Mekong. On April 30, an agreement to build a bridge between Mukdahan, Thailand, and Savannakhet, Laos, was signed. The bridge, to be funded by a loan from Japan's Overseas Economic Cooperation Fund, is expected to be completed in the year 2000, and will have two road traffic lanes and space for two more, and a lane for rail tracks — although the railway does not yet exist. In June, with aid from Australia, construction began on a bridge across the Mekong southwest of Ho Chi Minh City in Vietnam.

In April, Thailand, Vietnam, and Laos agreed to build a road to connect the port of Malamang in Myanmar, to Mae Sot in Tak province and Mukdahan in Thailand, to Savannakhet, Laos, and finally to the port of Danang in Vietnam, creating a much more rapid land link between the Indian and Pacific oceans. The ports at Malamang and Danang would be upgraded to international standards.

## China-India partnership

The integration in southeastern Asia is going on in the context of improving ties between Asia's giants, India and China. China has long-standing, close ties to Pakistan, including significant economic and technical aid.

Now, since President Jiang Zemin became the first Chinese head of state to visit India, in November 1996, Asia's two giants have been taking measures to boost mutual economic and trade ties to a level not seen for many decades. The China-India summit stressed creation of a "partnership" oriented toward the 21st century, which included efforts by the Chinese leader to achieve improved ties between India and Pakistan. In July, the five-day Industrial and Technological Exhibition of India opened in Beijing, the first such Indian exhibition in China in 40 years, and on July 7, the Indo-China Joint Business Council also met in Beijing, and set a target of quadrupling bilateral trade by the year 2000 — about \$5 billion worth, up from the current level of \$1.4 billion.

Expanding direct land routes is also under consideration. This is becoming feasible in the context of discussions to resolve the China-India border conflicts which led to the 1962 border war, and achieving the rapid development of the roads in Tibet, where there was not one single passable road in the 1950s. The region's leaders are also discussing preparations to build the first rail line into Tibet.

India and Myanmar, whose relations have been strained, have agreed to reconstruct the section of the Myanmar

(Burma) Road from Moreh, India to Kalewa, Myanmar. This \$33 million project will renew India's road connection both to China, and to southeastern Asia, via Mandalay, Yangon, and Bangkok. China has been upgrading the Mandalay-to-Kunming stretch of the old Burma Road since 1991.

China has also been developing relations with Bangladesh. Prime Minister Sheikh Hasina visited Beijing last autumn. In March, Chinese Vice Premier Luo Gan visited Dhaka, to discuss providing more development assistance to Bangladesh. Luo, a senior leader who has been secretary general of the State Council since 1988, met Sheikh Hasina, and discussed planned subregional cooperation, including the Ganges water treaty with India, with Bangladesh Foreign Minister Abdus Samad Azad.

### The northern connection

Russia, which is an ASEAN Dialogue Partner, has also been indicating increasing interest in southeastern Asia. *Ros-*

*siiskaya Gazeta* reported on July 16 that Minister of Railroads Nikolai Aksechenko met Malaysian Minister of Transport Ling Liong Sik to discuss the Trans-Asia Railroad. Once the rail connections from Southeast Asia to China are completed, the Trans-Siberian Railway could become part of the rail network, via Mongolia, tying Asia to Europe.

In June, the ASEAN-Russia Joint Cooperation Committee was founded, during the visit of Vietnamese ASEAN representative Nguyen Manh Hung to Moscow. Areas for cooperation discussed were energy and "joint projects in railway and other types of transport." Hung stated that, "given the fact that Russia is a country with a huge scientific and technological potential, we in ASEAN hope very much to have cooperation in science and technology with Russia."

Pakistani Foreign Minister Gohar Ayub Khan made a working visit to Moscow, which concluded on July 10, to intensify the two nations' "constructive dialogue."

## Correction

*Our box in last week's issue, p.49, on "The Political Power behind 'l'Affaire Cheminade,' " contained a number of errors. An editorial oversight prevented the version edited by Mr. Cheminade from appearing in print. We reprint the box as it should have appeared.*

Recently, Prime Minister Lionel Jospin stated that he would make the justice system independent of the Executive branch. It would be nice to think that he was referring to the frame-up of Jacques Cheminade, which is a paragon of the perversion of justice for political ends. Unlike a simple travesty, the purpose for the dirty operations against Cheminade, was solely to blacken his name and the political authority of Lyndon LaRouche in France.

In 1982, LaRouche's associates in France met Mrs. Denise Pazéry, who, over the years, became a generous supporter. Mrs. Pazéry passed away in October 1986. In March 1987, her heirs launched a criminal suit against Cheminade and several of his associates for "fraud," charging that they had taken advantage of the 63-year-old Pazéry, who, they claimed, suffered from Alzheimer's disease, although it had only been revealed two years after the suit was filed. Despite offers by Cheminade et al. to refund her loans, the family insisted on a laborious criminal complaint.

In 1990, a judge found no basis for pursuing the complaint and ordered the case dismissed, without even indicting the parties. But then, in a seldom-used procedure, the

public prosecutor immediately appealed, and, with the charges now changed to "theft," the defendants were indicted. In the process of discovery, Cheminade and his associates learned that the Renseignements Généraux had issued a memo connecting the co-defendants to LaRouche, who, by that time, had been framed up and imprisoned. In 1992, Cheminade et al. were convicted, and given suspended sentences, and fined to pay heavy restitution to Pazéry's heirs. The defendants appealed.

In 1995, Cheminade declared his candidacy for President, met the rigorous requirements for ballot status, and received state funding for his campaign expenses, for which he raised 4.7 million francs in loans. Logically, he expected to repay his lenders from the publicly disbursed campaign funds. On Oct. 11, 1995, the Constitutional Council outrageously rejected Cheminade's campaign accounts, claiming that the loans were improperly raised because his supporters had not charged him interest! The ruling left Cheminade personally liable for roughly \$800,000. The state then seized Cheminade's belongings. It should be noted that other Presidential candidates blatantly violated all legal requirements, but were nonetheless given funds.

Then, to make sure that Cheminade's voice would be stilled, the Paris Court of Appeals upheld the Pazéry conviction, while hypocritically reducing the sentence, even though, as recently as 1995, a medical report to the magistrates concluded that there was no proof that Mrs. Pazéry (who, until her death, drove her own car, regularly attended social events, and managed her considerable personal finances) had any mental disorder which would have been noticed by a third party.

# LaRouche's call for global reform intersects Asian financial shocks

by Gail G. Billington

On July 17, an audience of 500 people, representing 32 trade and socio-economic associations in the Philippines, were told in no-nonsense terms that there is no end in sight to attacks on the currencies and economies of Southeast Asia, unless the thinking that underlies policy-making is overhauled in favor of a return to national economic sovereignty, in conjunction with *EIR* Founding Editor Lyndon LaRouche's call for bankruptcy reorganization of the International Monetary Fund (IMF)- and World Bank-dominated monetary system and a return to the best principles of the Bretton Woods arrangements. The occasion was the Second National Congress of the Katapat movement, held in Quezon City, the Philippines. The conference took place six days after the Bangko Sentral ng Filipinas (the central bank) spent \$2 billion in 48 hours in a losing battle to defend the Filipino peso against speculative attacks, leading to a 10% devaluation of the currency on July 11.

In the week following that devaluation, Katapat board members were outspoken, in press conferences and interviews, in identifying the root of the devaluation not in attacks by "lone" marauding financial speculators, but in the embrace of "free trade," "globalization" measures that have led to increasing dependence on fickle external capital flows and for-export production, and have reduced the resilience of the economy to sustain sudden shocks to the country's finances.

For public consumption, Katapat's warnings were downplayed by the press, which tried to reduce their call to rethink policy to a call for the resignation of central bank Governor Gabriel Singson, while insinuating that Katapat members are "doomsayers," to be ignored. In private, as this author learned firsthand, Katapat's views are finding open ears.

## A fine constitutional tradition

The Kilusan Tungo sa Pambansang Tangkilikan, or Katapat, movement issued a "Declaration of Economic Sovereignty," following the November 1995 convening of its first national congress. That defining declaration relies on the intent of Article II, Section 19 of the 1987 Constitution of the Republic of the Philippines, which mandates the development of a self-reliant and independent national economy, effectively controlled by Filipinos. In the two years of its existence, Katapat has emerged as a unique cross-sectoral association, bringing together 32 organizations, representing producers and consumers, in trade, manufacturing, agriculture, retail,

and social services, which organizations encompass millions of members. In addition to explicitly "economic" associations, Katapat also includes labor, religious leaders, and community service organizations.

Katapat's founding declaration makes explicit the organization's embrace of the constitutional commitment "to provide for the general welfare of the population," while stating that "the principal cause of economic difficulties in the Philippines today lies not within the territorial confines of, nor in decisions made by the government of the Philippines per se, but lies in the bankruptcy of the global IMF system as a whole."

The Second National Congress was keynoted by nationalist economist Alejandro Lichauco, a close associate of former Sen. Claro M. Recto, a proponent of the 1950s Filipino industrialization program, and author of a 1988 book, *Nationalist Economics*, which cited as forerunners in that tradition, America's first Treasury Secretary Alexander Hamilton, Germany's Friedrich List, and the Meiji reformers in Japan. Former Vice Premier of the first post-Communist Czechoslovak government, Dr. Jozef Miklosko, from Bratislava, Slovakia, was the featured guest speaker, whom Katapat invited to spell out the impact of IMF "shock therapy" reforms in aborting the popular "revolutions" that brought down the Iron Curtain in eastern Europe. *EIR* Asia Desk correspondent Gail Billington presented the Urgent Appeal for President Clinton to Convoke a New Bretton Woods Conference, and described in some detail the international mobilization in support of that initiative.

## For lack of an industrial revolution

With biting wit and compassion for his countrymen, Lichauco addressed the circumstances the Philippines finds itself in today. The crisis that led to the 10% devaluation of the peso can be traced to one cause, he said: The Philippines never underwent an industrial revolution, never developed a machine-tool sector. Industrialization is a learning process, the highest form of education, he said. Without machine tools, a country cannot produce, and the knowledge of how to produce cannot be bought. Without such a revolution, he said, the country is reduced to being a consumer economy, addicted to imports, which displaces local industry and employment, and, as a consequence, leads to ever-increasing poverty and collapse into barbarism, epitomized by the growth of the drug trade to a multibillion-dollar business.

It is not for lack of qualified national leaders that this



*Lyndon LaRouche's call for a New Bretton Woods conference received wide coverage in Manila, Philippines. Shown here (from left) are Gail Billington, EIR; Dr. Jozef Miklosko, Slovakia; and Filipino nationalist economist Alejandro Lichauco, addressing a popular weekly press briefing on July 19. Four newspapers covered the conference in their July 20, Sunday editions.*

transformation never occurred, he continued. Forces outside the country opposed that technological revolution. In 1909, the entire Congress rose up against a “free trade” law. “Free trade” then, and now, is the force of colonialism at work, only now the name for the same policy is “globalism, free trade liberalization.” The first IMF regime, imposed in 1962, aborted the rapid growth achieved under a protectionist regime in the 1950s, when manufacturing grew 29% per annum. Under World Trade Organization rules, the WTO will dictate policies, and the sovereign nation-state will disappear.

Lichauco singled out for criticism what is taught as “economics” in universities today. Himself a graduate of Harvard and Columbia’s Law School, he said schools are turning out people who have lost their common sense, they’re turning out “globalists.” Sooner or later, he concluded, we Filipinos must decide whether to develop through industrialization, whether we will live as human beings or slaves.

Dr. Miklosko pointed out that the Philippines and his native Slovakia share many positive and negative qualities, including, prominently, an optimism rooted in profound faith and commitment to the social teachings of the Catholic Church. He reviewed the history of the “Velvet Revolution” against the communist regime of former Czechoslovakia in 1989. It was too “velvet,” he said, because communists have returned to power, as born-again capitalists, armed with the IMF’s shock therapy, free trade, and monetarism, which have led to a collapse of production, rising unemployment, and an end to all social safety nets for the population. The “post-socialist” governments of the East traded one *Titanic* for another, but this one, too, is sinking rapidly.

He then used a series of charts to present the collapse of

the global economy, including LaRouche’s “Triple Curve” typical collapse function demonstrating the hyperbolic rate of decoupling of financial processes from the physical economy, and to underscore that there is no country in the world that has remained immune to this crisis. Miklosko then reviewed his own collaboration with Mr. and Mrs. LaRouche.

LaRouche’s policy approach was presented in detail by this author, who reviewed the Urgent Appeal for President Clinton to Convoke a New Bretton Woods Conference, a proposal that has now been endorsed by over 1,000 former heads of state, elected officials, and labor, religious and community leaders internationally. Board members of Katapat were involved in the discussion process that led to the drafting of the Appeal, authored by Helga Zepp LaRouche, founder of the Schiller Institute, and Ukrainian parliamentarian Natalya Vitrenko, following a conference in northern Virginia in February 1997. At the end of Katapat’s Congress, a series of resolutions were passed, including one endorsing the Urgent Appeal and the campaign for LaRouche’s exoneration.

Following the conference, on July 19-20, Katapat board member Antonio Valdes, Lichauco, Miklosko, and this author were featured guests at a popular weekly press forum, and on a 90-minute live radio interview, the latter hosted by columnist Herman Laurel on DZXL to a regular audience of 500,000. Asked about George Soros’s role in the recent speculation against Southeast Asian currencies, this author detailed Soros’s history of sinking currencies from Italy to Thailand, his political support for drug legalization in the United States, his involvement in strategic asset grabs in Ibero-America and elsewhere, and the multiplying number of criminal investigations into his activities.

## High Court outlaws free speech

*In its latest corruption, the High Court overturned its earlier "Theophanous" decision, with ominous implications.*

On July 8, Australia's High Court effectively overturned its own 1994 *Theophanous* decision, which had recognized an implied constitutional right to free speech in political matters. The decision was unanimous, even though two of the court's justices had earlier voted for free speech in *Theophanous*; it has ominous implications for the right of the media to criticize the actions of politicians, without being sued.

The High Court is packed with leading members of Australia's Anglophile establishment, and the nation's media are dominated by multi-billionaires Kerry Packer and Rupert Murdoch, who are leading figures in that establishment. Thus, the court's decision clearly was not aimed at them, but rather to muzzle what's left of the independent press, such as the *New Citizen*, the newspaper of Lyndon LaRouche's associates in the Citizens Electoral Council.

The decision was also ominous because of the case which the High Court used to render it, a choice which surprised many observers. In 1988, a New Zealand television station made a hard-hitting documentary which demonstrated the extremely close ties between the Mont Pelerin Society's New Zealand Business Round Table, and the "free trade" Labor Party government which was selling off the nation's assets to Round Table members for a fraction of their true worth. The documentary covered some of the same territory as *EIR* did earlier (Sept. 5, 1986), the first major attack against the Round Table and its Labor puppets.

That article, and a 1988 series,

"The Rape of New Zealand," which were circulated in tens of thousands of copies in the 3.4 million-person country, caused an uproar. A threat by a Round Table-tied figure to sue *EIR* for \$10 million, did not materialize, but, the head of the Labor government, David Lange, sued both the New Zealand station which made the film, and the Australian Broadcasting Corporation which rebroadcast it. The New Zealand station backed down and fired the entire staff which had produced the documentary, while the ABC defended its showing under *Theophanous*.

What Mont Pelerin's Round Table did to New Zealand, is now being done to Australia, as well. By overturning *Theophanous*, the High Court is doing what it has always done: guaranteeing that the country can be looted by British and allied interests. From the time Australia was founded as a nation in 1901, until 1987, the High Court answered to Her Majesty's Privy Council in London. The purpose of the High Court, as was made clear in British Foreign Office documents of the early period, was to "protect British investors" in Australia, a tradition which has remained unbroken, even after appeals to the Privy Council were formally abolished in 1987.

The Court's 1992 *Mabo* and 1996 *Wik* decisions in favor of "aboriginal land rights," are indicative of the process: Under this rubric, vast swaths of the continent are temporarily given to aboriginal front men, to then be turned over to the Queen's multinationals, such as Rio Tinto Zinc and Anglo American Corp. (see *EIR*, April 28, 1995).

The career of the late, longtime High Court Chief Justice Garfield Barwick, is also indicative of the High Court's corruption. A raving Anglophile, Barwick had successfully argued before the Privy Council in 1947, to overturn the nationalization of the banks which Labor Prime Minister Ben Chifley had passed through both houses of parliament, for the purpose of continuing to direct credit to agricultural and industrial development, as the government had done during wartime. Barwick later became the High Court's Chief Justice (1964-81), and then the president of Prince Philip's Australian Conservation Foundation, which established the notion of "aboriginal land rights" in the country. In 1975, Barwick gave the go-ahead to Governor General John Kerr to sack Prime Minister Gough Whitlam, because Whitlam was trying to "buy back the farm," i.e., to establish Australian national sovereignty over its own raw materials, at the expense of the Queen's minerals cartel.

But Barwick's corruption was too rank to be hidden beneath his powdered wig and flowing robes. As even the *Melbourne Age* noted on July 15, in reporting his death, "His court upheld the legality of artificial tax-avoidance schemes, after which tax dodging reached scandalous proportions and spread into criminal evasion."

High Court justices such as Barwick, base their decisions on principle-free British "common law," which allows a ruling establishment to do whatever it pleases, as opposed to "natural law," rooted in the sanctity of the individual human soul. For example, oft-cited former Australian Chief Justice Isaac Isaacs, later a governor general, argued in the 1920s, "No more profound error" could be committed by the High Court, than to accept "American notions of natural law."

# International Intelligence

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## ***Bipartisan Israeli group forms against Netanyahu***

Participants from opposing political parties and factions turned out on July 24, for the first meeting of a new organization, dedicated to abolishing the law which provides for direct election of the prime minister. The new law, under which Prime Minister Benjamin Netanyahu was the first to be elected, vastly increases the power of the prime minister. It also makes it far more difficult to topple the government. Earlier in the week, Netanyahu's government lost a no-confidence vote in the Knesset (parliament), which under previous legislation, would have led to the collapse of his government.

Among the notables present at the meeting, were former Prime Ministers Shimon Peres and Yitzhak Shamir, otherwise bitter enemies. Former Begin Defense Minister Moshe Ahrens is the chairman of the group. Peres's longtime operative Yossi Beilin, who is considered the most accommodating Israeli political figure toward the PLO, was also a prominent participant. Cabinet member Ariel Sharon did not attend the public meeting, but is widely viewed as being a crucial figure behind the scenes. The convening of the group follows reports of secret meetings between Peres and Sharon.

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## ***Colombia drug lawyers go on trial in Miami***

Guillermo Pallomari, former Cali Cartel accountant, now a U.S. government witness, testified in July for five straight days on the corruption of Colombian President Ernesto Samper's administration, as well as that of his predecessor César Gaviria, specifying names, dates, and bank account numbers.

Speaking in U.S. District Court in Miami, where two American lawyers (including former Justice Department official Michael Abbell) and four Florida smugglers are on trial, Pallomari reiterated that Samper had taken more than \$5 million in drug money for his 1994 Presidential campaign. Pallomari said Samper and his running mate, Humberto de la Calle, had dined with the

Rodríguez Orejuela brothers prior to the election, supposedly to discuss the terms of the drug lords' surrender. He insisted that cartel infiltration was such that the Rodríguez brothers—currently in prison—were regularly supplied with internal documents from the offices of the Prosecutor General and Attorney General.

Pallomari also said that the Cali Cartel had, in collaboration with its "rival" Medellín Cartel, corrupted the 1991 Constituent Assembly into banning one of the most serious threats to their expanding drug empires: extradition to the United States. Abbell, according to Pallomari, had written the briefs arguing against extradition, which the cartel provided the Constituent Assembly members. Abbell was the U.S. Justice Department expert on extradition before he resigned in 1985.

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## ***N. Korean famine recalls Somalia, Ethiopia deaths***

As many as 5 million people are near death in North Korea from famine, aid officials reported in Washington, D.C. on July 29, the same day that the Schiller Institute presented the names on an emergency petition to President Bill Clinton and other world leaders, asking major new food and development aid. The petition, "Feed North Korea Now!" (see *EIR*, June 20 for text), was signed by dozens of U.S. and Australian officials, religious leaders, and farm activists, led by top Korean-Americans.

The June 4 warning by UN World Food Program official Catherine Bertini, that North Korea's food would run out in late June, has now tragically come true. "The consensus of aid workers operating in North Korea is that at least 5 million people" are on the verge of death from famine, Ted Yamamori, president of Food for the Hungry International, said on July 29, following a four-day trip to North Korea. "The people of North Korea appear to be suffering from hunger on the level of the notorious Somalia and Ethiopia famines," he said. "It is a disaster in the making. Only, in North Korea, they are suffering in silence, out of view of the world's media. About 30-50% of children I

saw had signs of serious malnutrition. . . . Urgency is obvious. They want food, food, food."

North Korean state radio also warned on July 29 that this year's crop may be devastated by a "catastrophic drought" which could destroy 20% or more of the harvest, due in October.

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## ***Karadzic moves against Bosnian Serb President***

Biljana Plavsic, the President of Republika Srpska, was expelled from the ruling Serb Democratic Party on July 19, after a growing confrontation with her predecessor, war criminal Radovan Karadzic. The SDS Committee also demanded that she resign as President, although it cannot legally force her to do so.

In the period preceding the July 10 arrest of one Serb war criminal and the fatal shootout with a second by a British SAS team, Plavsic was gaining support inside Republika Srpska. She had gone on an all-out personal attack against Karadzic and his gang, based in the Srpska capital, Pale. She stated that Karadzic was still the man in power in Republika Srpska, and that the main official leaders were just his puppets, including the Serb member of Bosnia's collective Presidency, Momcilo Krajisnik.

Further, she also accused Slobodan Milosevic, the dictator-President of Serbia proper, of being heavily involved in Republika Srpska's lucrative black market, while the population starved. Reportedly, Plavsic had succeeded in polarizing the situation, gaining growing support in the cities of Banja Luka and Bjelina and proceeding to isolate the "Pale group," before the SDS Committee made its move against her.

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## ***Blair sizes U.K. for Empire's new clothes***

A "second revolution" of high fashion, rock music, and film "industries" will be the basis for Britain's economic empire, wrote Prime Minister Tony Blair in a commentary for the *Guardian* on July 22. Blair eulogized: "Brit-

ain was once the workshop of the world . . . defined by ship-building, mining and heavy industry.” Today, he said, “the overseas earnings of British rock music exceed those generated by the steel industry.”

The ardent Thatcherite in Labour mufti continued: “I believe we are now in middle of a second revolution, defined in part by new information technology, but also by creativity. . . .

“Tonight I am hosting a reception at Downing Street for some of the best talents in fashion, agriculture, product design, graphics, animation and film. . . . They are becoming a power in the British economy. . . . Our rock music is taking both America and Europe by storm; our musicals are playing to packed audiences in over 20 countries. . . . These people are ambassadors for New Britain. They embody strong British characteristics as valuable to us today as they have ever been: know-how, creativity, innovation, risk-taking, and most of all, originality. All the things that put us ahead of the game 150 years ago are once again giving us a competitive edge.”

That, gunships, and opium, sir.

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## ***EC recommends expansion for European Union***

The European Commission’s ambassador to the United States, Hugo Paemen, gave a briefing to Washington press on July 17, to discuss the EC’s recommendation for enlargement, contained in a document, “Agenda 2000,” that will be presented to the EU heads of government meeting to take place in Luxembourg in December.

The five countries recommended are Hungary, Poland, Estonia, the Czech Republic, and Slovenia. These five were deemed as having established stable, democratic institutions; functioning market economies with the ability to cope with competitive forces, in the medium term; and, the ability to take on the responsibilities of membership, such as adopting all of the legislation and regulations that have been added to the 1958 Treaty of Rome. Paemen said that “the door is still open” to five more candidates: Bulgaria, Latvia, Lithuania, Roma-

nia, and Slovakia. Slovakia was singled out as the only country that didn’t meet the criteria for having established “democratic institutions.”

The EU has already committed to opening accession talks with Cyprus (meaning the Greek-allied, official government) six months after the Luxembourg meeting, but Paemen said membership for Turkey “is not on the agenda.” Turkey and the EU signed a “customs union” relationship in 1995, but it has yet to be implemented.

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## ***Britain’s separatists unite in UNPO conference***

Separatist movements from around the world came together in Tallinn, Estonia for the Unrepresented Nations and Peoples Organization (UNPO) General Assembly (July 14-21) and conference on “Nonviolence and Conflict: Conditions for Effective Peaceful Change” (July 21-23). The latter was keynoted by José Ramos-Horta, the former head of East Timor’s terrorist Fretilin, who was co-winner of this year’s Nobel Peace Prize. Ramos-Horta has recently been given extraordinary public backing by Britain’s Foreign Secretary Robin Cook and by Minister for Overseas Development Clare Short.

Other speakers included:

Tibetan Minister of Foreign Affairs Kalon T.C. Tethong, who “revealed that an unannounced UNPO mission visited Tibet, in April of this year, to investigate whether China’s rule over Tibet could be considered a form of colonialism. He said the answer was an unqualified ‘yes.’ ”

Representatives of Cabinda province in Angola discussed “tensions with oil and mining companies.”

Various Myanmar “ethnic” groups—Shan, Karenni, etc.—attacked the ruling SLORC, especially for economic development projects.

The Mapuche Indians of Chile stated that the “government of Chile should respect and uphold its own, and international, laws concerning indigenous peoples, especially in relation to dams in the Bio-Bio region, a bypass in the Ninth region, and highways.”

**SAUDI ARABIA** is mediating the effort to normalize ties between Iran and the United States, according to *Teheran* of July 19. The magazine quoted Al-Sharq Radio of Paris that “Saudi Arabia is currently endeavoring to convince the two countries of the need to negotiate, to resolve major differences between them.”

**SPANIARDS** across the spectrum continue to express their disgust with the Basque terrorist ETA and its “legal” front Herri Batasuna. In late July, the Basque city council of Mondragon ousted the Herri Batasuna mayor in a vote of no confidence, involving the Socialist Party, the Basque National Party, and the Eusko Alkatasuna party.

**JORDAN’S** opposition Muslim Brotherhood has called for a boycott of the November elections, on the grounds that the democratic process in the country has been degenerating. Laith Shubeilat, the former independent Islamist member of parliament, has been leading the campaign for a boycott for months, ever since the government introduced new press laws limiting freedom of expression.

**NEW ISRAELI LABOR** Party chairman Ehud Barak held his first meeting with Palestinian Authority President Yasser Arafat at the Erez Crossing on July 24. “I regard the meeting with Chairman Arafat as the first important step in the dialogue between Labor’s new leadership and the PA,” said Barak.

**THE PUGWASH GROUP** held a somewhat desultory annual conference in Lillehammer, Norway over Aug. 1-8. There are indications, that the Pugwash structure is cracking up. Top German Pugwashite Hans-Peter Dürr recently told a journalist that he, as well as Pugwash President Dr. Josef Rotblatt and other key members, would either be leaving the organization, or scaling back their activity, because they see the group as “no longer very relevant.”



## A Bush-Kissinger 'defector' tells of plot vs. LaRouche

by Edward Spannaus

An international arms dealer, once deeply involved with both U.S. and British intelligence services, has begun to disclose important evidence on operations directed against Lyndon LaRouche. This includes an eyewitness account of a 1984 discussion between Henry A. Kissinger and former Justice Department official J. Stanley Pottinger, concerning planned measures to instigate a government attack on LaRouche.

Now, trapped in London and fearing that his life is in danger (see *EIR*, June 27, p. 66), Jamshid Hashemi has revealed information which could have an important bearing on legal efforts to further unravel the illegal operations which resulted in the frame-up and imprisonment of LaRouche and several associates.

It is documented that, commencing in the summer of 1982, Kissinger, a private citizen with no government position, launched an effort to compel the FBI and Justice Department to launch a spurious investigation of LaRouche. A "Dear Bill" letter from Kissinger to FBI Director William Webster in August 1982 preceded an intervention by Kissinger's cronies at the President's Foreign Intelligence Advisory Board in January 1983, which resulted in Webster directing FBI official Oliver "Buck" Revell to determine if there were a basis for investigating LaRouche "under the guidelines or otherwise." This intervention resulted in the launching of an FBI probe, which continued under one guise or another up until the initiation of a federal grand jury against LaRouche in Boston by then-U.S. Attorney William Weld, on the eve of the 1984 Presidential elections.

### A dinner in London

In spring 1984, Kissinger and Pottinger travelled together to London, for a planned meeting with a retired Iranian admiral.

London was a place where both felt quite at home: Kissinger having confessed, two years earlier, his loyalty to the British Foreign Office above the U.S. Presidents he ostensibly was serving, and Pottinger having had extensive business dealings in London with Jamshid Hashemi's brother, Cyrus Hashemi.

The Iranian admiral, having been warned by U.S. intelligence services about Kissinger, refused to meet, so Kissinger and Pottinger, accompanied by Jamshid Hashemi, went for a leisurely dinner at the Dorchester Hotel in London. The primary topic of discussion was what to do about LaRouche and how "to shut him up." Declaring that "we've got to do something about this son-of-a-bitch," Kissinger said that he was going to intervene again with FBI Director Webster, and the U.S. Attorney General, and that he intended to prevail upon the Central Intelligence Agency to find out where LaRouche was getting his money.

Pottinger, a self-declared close friend of George Bush, had been working with the FBI and others since the fall of 1980 to silence LaRouche, and that evening in London, he again said he would get the FBI to take action against LaRouche. The Assistant Attorney General swore that "we've got to shut the bastard up for once and for all."

Pottinger told Kissinger that he was friends with Rudolph Giuliani, then the U.S. Attorney in Manhattan, and said that he was going to get Giuliani to go after LaRouche. Kissinger, agreeing, told Pottinger to call him (Kissinger) when they got back to the States, so that Kissinger could also contact Giuliani.

(As it turned out, Giuliani declined the invitation: he had plenty else on his plate, and didn't need the headache of taking on LaRouche. So the dirty work was farmed out to William

Weld, the U.S. Attorney in Boston, who eagerly accepted. Weld opened a grand jury that fall, and convened a nationwide “Get LaRouche” conference of federal and state law enforcement officials in February 1986 in Boston—which included federal and state prosecutors and investigators from Virginia.)

## Who is Stanley Pottinger?

J. Stanley Pottinger served in the Department of Health, Education and Welfare in the Nixon administration under Elliot Richardson, and then, from 1973 to 1977, was Assistant Attorney General for Civil Rights. Along the way, he also became good friends with George Bush, who was CIA director in 1975-76.

Pottinger’s virulent antagonism toward LaRouche emerged in the following manner. Beginning in May 1980, *EIR* began receiving reports from a number of sources, that money to finance pro-Khomeini protests, and even terrorism, in the United States, was being funnelled through the First Gulf Bank and Trust Co., operated by an Iranian banker named Cyrus Hashemi. Shortly after the assassination of Ali Akbar Tabatabai, a prominent anti-Khomeini spokesman, in a Washington, D.C. suburb in July 1980, *EIR* and its sister publication *New Solidarity* put out the story on Hashemi. Soon thereafter, the *Washington Post*, CNN, and other media also ran stories naming Cyrus Hashemi as the conduit for Iranian funds into the United States.

As soon as the *Washington Post* story hit the news wires, Pottinger called the *Post* from London to demand a retraction. In subsequent versions of the story as transmitted on the *Post*’s wire service, Hashemi’s name was deleted. Thereafter, Pottinger issued a formal demand for retractions to *EIR*, the *Washington Post*, CNN, and others.

But at the same time, a number of federal agencies were opening investigations of Hashemi. On Aug. 11, the FBI notified U.S. Customs that it was organizing a task force on Iran-related investigations, including the Tabatabai assassination and Iranian financing of protests in the United States. On Aug. 20, FBI Assistant Director Revell sent a so-called “national security” letter to the New York Telephone Co., asking for toll records for Hashemi’s phones. A week later, Revell requested that the Justice Department make application to the super-secret Foreign Intelligence Surveillance Act (FISA) Court for electronic surveillance of Hashemi; promptly, the FISA court approved telephone, video, and microphone surveillance of Hashemi’s New York offices, and authorized FBI agents to break into Hashemi’s office to plant microphones and a video camera. How soon Pottinger learned of the electronic surveillance is not known, although before too long, Hashemi could be overheard on his telephone conversations saying that his phones were tapped.

Pottinger quickly launched a campaign to blame the whole thing on LaRouche, threatening, and then filing, a libel suit in federal court against those publications that had named Hashemi as a conduit for terrorist funds. The libel

suit was a sham, but Pottinger thought it necessary to provide a cover for other activities in which he and Hashemi were engaged.

According to many sources, Pottinger told the *Washington Post* that he was acting officially on behalf of U.S. government agencies, in particular the “CIA.” He also told the *Post* that they had been taken in by stories planted by LaRouche, charges he also circulated in print. After working out a settlement with the *Post*, and making arrangements to execute the settlement agreement on Monday, Sept. 8, Pottinger double-crossed the *Post* and filed Hashemi’s libel suit in federal court in Atlanta.

The complaint in the suit, captioned *Cyrus Hashemi v. Campaigner Publications, et al.* (Campaigner being the publisher of *New Solidarity*), said that all the articles published by the *Washington Post*, *Boston Globe*, *Atlanta Constitution*, etc. were all traceable to the LaRouche group, which Pottinger lumped together as the “EIR Defendants.” Pottinger wrote in the court case that the “EIR Defendants” publish articles which attempt to implicate Muslim, Jewish, and black individuals in unlawful or immoral activity. The complaint charged that articles written by *EIR* went to U.S. law enforcement agencies, and that the information then made its way to the other publications.

This was elaborated in an article which Pottinger planted in *New York* magazine, entitled “Did Cult Hatch Iranian Exposé?” The article opened: “The *Washington Post* was a conduit for a ‘vicious’ tale of Iranian intrigue apparently fabricated by an extremist political group, a libel suit filed in Atlanta has charged.” It went on to say that the Hashemi lawsuit contended that the *Washington Post* story “that was attributed to ‘law enforcement investigators’ originated with publications linked to a bizarre cult—commonly called the U.S. Labor Party—formed around Presidential candidate Lyndon LaRouche.” The article also claimed: “A Justice Department investigation is said to have found that the FBI has material from the LaRouche group in its files that could have formed the basis of the leak to the *Post*.”

## The walls have ears

Thanks to the FBI wiretaps on Hashemi’s office, we know a little of the background of the *New York* magazine article. A writer for the magazine had called Hashemi’s office in mid-September and spoken to Pottinger regarding the lawsuit. The reporter asked about a letter from John Shaheen (an OSS “old boy” who was a friend of both Cyrus Hashemi and William Casey), in which Shaheen had told Pottinger that the material in the FBI files about Cyrus Hashemi was from *EIR*. Pottinger acknowledged Shaheen’s letter, and then said that the FBI had told him that the *EIR* material had come from the FBI’s Dallas office.

According to an FBI teletype, obtained under the Freedom of Information Act (FOIA), reporting on that conversation: “[Pottinger] says he asked for an investigation and since he

was in the Justice Department he knew where to go. He called . . . the Deputy Attorney General and had a meeting with the FBI and the Inspector General about the case.”

According to Jamshid Hashemi, Pottinger also told the Hashemi brothers in late 1980 that he was attempting to get the FBI to go after LaRouche and to bring a lot of cases against LaRouche. At one point, while at a restaurant in Manhattan, Pottinger told Cyrus and Jamshid Hashemi that he wanted to shut LaRouche down “in total.” (In fact, over the next year, Hashemi and Pottinger were involved with circles in Europe around the Club of Rome and the British *New Scientist* magazine who brought one lawsuit in Paris, and boasted that they were trying to get 20-30 lawsuits going against LaRouche.)

At the same time, the FBI wiretaps on Cyrus Hashemi’s office were creating a lot more problems for Hashemi and Pottinger. While the FBI reported that it had found no evidence demonstrating Hashemi’s involvement in the Tabatabai murder, two other avenues of investigation soon opened up.

First, the FBI agents listening to Hashemi’s and Pottinger’s conversations realized that they were in constant contact both with Iranian officials, and with the U.S. State Department, around the hostage crisis. (In November 1979, over 50 Americans had been seized and were being held in the U.S. Embassy compound in Teheran; the issue of whether they would be released before or after the November 1980 Presidential elections became a matter of intense maneuvering by both the Carter administration, which desperately wanted the hostages to be released before the elections, and by Republican circles, who were desperate to delay it until after the elections.)

When the Hashemi-Pottinger involvement in the hostage crisis was reported to FBI Headquarters, and passed on to the State Department and CIA, it was determined that the wiretaps could serve as a useful check on what Hashemi and Pottinger were doing, and that information pertaining to the hostage negotiations should be passed on to those agencies. In November, after the expiration of the first 90-day electronic surveillance authorization, the authorization was renewed on that basis for another 90 days. At the same time, in a rather extraordinary personal intervention, FBI Director Webster personally ordered that *no* information on the *Hashemi v. Campaigner* lawsuit should be monitored or maintained by the FBI agents conducting the surveillance.

Second, during December, FBI surveillance agents monitoring the tap began to pick up evidence that Hashemi and Pottinger were illegally shipping military equipment to Iran. As this evidence accumulated, a huge fight broke out in the law enforcement and intelligence communities over the Hashemi case. FBI and Customs agents on the scene in New York, along with the local federal prosecutors, wanted to raid Hashemi’s office and prosecute him as quickly as possible. Justice Department headquarters, backed by the State Department and CIA, continually delayed, stalled, and ob-

structed the investigation. Government documents show that the Justice Department’s liaison office to the intelligence community blocked, on “national security” grounds, the presentation of evidence to a federal grand jury on Hashemi and Pottinger.

Even though local officials wanted to convene a grand jury and indict Hashemi and Pottinger in 1981, it wasn’t until 1984 that they were finally permitted to do so—and then, Cyrus and Jamshid Hashemi were both tipped off and evaded arrest by fleeing to London, and Pottinger escaped indictment altogether, because of the convenient loss of certain FBI surveillance tapes.

## The ‘October Surprise’

Much nonsense has been written about the so-called “October Surprise” affair in the 1980 elections. Much of this is deliberate disinformation and confusion, surrounding oftendubious stories about George Bush secretly flying to Paris prior to the 1980 elections. But despite all the confetti, and the coverup perpetuated by the U.S. House of Representatives investigation in 1992 (the Senate investigation was much more serious), the core of truth in the “October Surprise” story is easily ascertainable, and it does not depend on George Bush’s whereabouts on Oct. 19, 1980.

Just as with the original Hashemi investigation, *EIR* was also one of the first, if not *the* first, source for the story that GOP circles had attempted to delay the release of the hostages. In its Nov. 4, 1991 issue, *Newsweek* reported that the first rumors of “backstage contact” between the Republicans and the Iranian government appeared in print in late 1980. “The outlet was hardly prestigious: the *Executive Intelligence Review*, a periodical published by followers of right-wing political extremist Lyndon LaRouche.” *Newsweek* then cited a Dec. 2, 1980 *EIR* story which reported that Kissinger had held secret meetings with representatives of Ayatollah Beheshti, and that President Carter’s failure to secure the release of the hostages “resulted from an intervention in Teheran by pro-Reagan British intelligence circles and the Kissinger faction.”

*Newsweek* further cited a September 1983 article in *New Solidarity* newspaper, which was entitled “How Kissinger Delayed the Release of U.S. Hostages in Iran.” That article was written by this author, Edward Spannaus, and was based on conversations that Spannaus held with Jamshid Hashemi in 1982-83. (Jamshid has more recently revealed that he had been asked by Pottinger to approach LaRouche and *EIR* at that time to attempt to get rid of the libel suit, which *EIR* refused to settle.)

In 1986, with the aid of State Department documents obtained under the FOIA, *EIR* was provided with more details on Cyrus Hashemi’s and Pottinger’s dealings with the Carter administration during the hostage crisis. But this was a double game—as many have concluded—because, as Jamshid had already told this reporter in 1983, his brother was much closer

to GOP circles, particularly the Bush-Baker Texas crowd, than to the Carter administration.

Thousands of pages of FBI documents derived from the electronic surveillance of Hashemi's offices were obtained by *EIR* beginning in 1991. They demonstrate that Hashemi and Pottinger had undertaken to trace the Shah's assets and other frozen Iranian assets in the United States during 1980. The FBI wiretaps show how they manipulated this issue, playing a very duplicitous game of giving contradictory advice to the Carter administration and the Iranians, as to each other's intentions and capabilities.

The Hashemi brothers were just two of many players and operatives in this complex game. Their links were directly into the Bush crowd—people in and *around* the CIA. With the purge of the CIA's Operations Directorate during the Carter administration, which resulted in the dismissal of two-thirds of the Agency's clandestine-service officers and contractors in the fall of 1977, a vast pool of free-floating covert-operations specialists was created. Many of these operatives, who became known as the "asteroids," clustered around the Reagan-Bush campaign in 1980, with hopes that a new Republican administration would rebuild the nation's covert-operations capabilities.

The Hashemis' direct connections to the CIA were through Donald Gregg and Charles Cogan—additionally, Cyrus had a separate channel to Casey through OSS veteran John Shaheen. Cogan was the head of the Near East section of the CIA Operations Directorate, and he has acknowledged that he dealt directly with the Hashemi brothers in the 1980s. More important was Gregg, who was posted from the CIA to the Carter National Security Council in 1978 to head the position of director of intelligence. Gary Sick, the NSC Iran specialist during the hostage crisis, wrote in his book *October Surprise* how shocked he was when Jamshid Hashemi told him that Gregg, who had no NSC responsibility for Iran, had been in Cyrus Hashemi's office in spring 1980. Sick wrote of Gregg that "there was a dimension to his background which was completely unknown to his colleagues at the White House, and that was his acquaintance with one of the Republican front-runners, George Bush."

Jamshid Hashemi has taken this one step further. In conversations with this writer, Hashemi has stated that Gregg was Pottinger's CIA controller. ("CIA" in this context should actually be understood to mean "Bush.")

### **The CIA and the mullahs**

The Carter administration's purge of the CIA, ironically, ended up giving more leverage in 1980 to Republican circles around Bush and Casey. (Bush and Casey were forced to work together by circumstances in the 1980s, but they were by no means good friends.) Along with the decimation of the CIA's clandestine services in 1977, had gone a cut-off of funds for covert operations, including support for sources among the clerics in Iran. Traditionally, the British had controlled the

mullahs and the extreme Muslim Brotherhood factions in Iran; the Shah's sister, Princess Ashraf Pahlavi, wrote in her book that there was a standing joke in Persia, "that if you picked up a clergyman's beard, you would see the words 'Made in England' stamped on the other side."

Contrary to myth, the 1953 overthrow of nationalist Prime Minister Mohammed Mossadeq was *not* a CIA operation. The American CIA played a decidedly junior-partner role to the British; indeed, until President Eisenhower was swayed by the British, the United States had supported Mossadeq's efforts to drive the British out of Iran. But after the coup, the CIA found it expedient to take credit; at the same time, knowledgeable sources have recently advised *EIR*, the CIA picked up many of the assets who had previously been on the British payroll. This relationship was cut off by the Carter administration, and one of the bargaining chips of Republicans during the 1980 election period was, therefore, to promise the Iranians that this relationship could be reestablished if the Republicans took office.

Jamshid Hashemi's account of Casey's meeting in Madrid in July 1980 tends to confirm this. Casey told Hassan Karrubi, a prominent Iranian cleric, that relations between Iran and the United States had been good when Republicans were in office, but bad when Democrats were in office, and that if Reagan were elected, the Republicans would work with Iran and would, among other things, return the frozen assets and confiscated military equipment. About ten days before the November elections, Kissinger said that there was no reason that a Republican administration could not work with Iran, once the hostages were freed. Kissinger said that Iran was a strategic country, and the hostility between the United States and Iran need not be permanent.

### **Retaliation against LaRouche**

All of these backroom deals and back-channel negotiations were seriously threatened by *EIR*'s initial exposure of Cyrus Hashemi's operations in summer 1980. The truth is, that we at *EIR* had little idea at that time of all the operations in which Hashemi was involved, nor were we aware of his ties to the Bush-Kissinger networks. But those networks clearly saw that we were threatening to blow their whole operation. Even worse, with the information picked up by the FBI wiretaps—for which they blamed LaRouche—much of the Hashemi-Pottinger operation began to unravel. Apart from the fact that Hashemi and Pottinger lost a lot of money in arms deals because of the *EIR*-generated publicity and the subsequent investigations, there was also a much bigger strategic intelligence game behind the scenes, which was being disrupted.

This was not the only source of Kissinger's hatred of LaRouche. In reality, it is probably one of the less significant reasons. But it was, nevertheless, one more reason for Kissinger to join forces with Bush-leaguer Pottinger to "shut down LaRouche" once and for all.

## Clinton team endorses 'new Silk Road' policy

by Jeffrey Steinberg

The Clinton administration has embarked on an effort to revive the state-to-state economic development strategy that was a hallmark of the late Ron Brown's tenure as President Clinton's secretary of commerce. The policy initiative, which has driven the British into a murderous rage, is focussed on two areas particularly central to the concerns of Clinton and Brown: triangular cooperation among the United States, Russia, and China; and the crying need to develop the African continent.

Beginning with a July 21 Washington, D.C. speech by Deputy Secretary of State Strobe Talbott, the Clinton team gave its unambiguous support to the Eurasian Land-Bridge policy, drawing a sharp distinction between their vision of the "new Silk Road" connecting China to Europe, and that of the British and their American assets, like Sir Henry Kissinger, who seek only to loot the economies of Central Asia and the Caucasus, and use the local populations as sacrificial lambs in a revival of the 19th-century imperial "Great Game."

In this context, a visit by Chinese President Jiang Zemin to Washington has been tentatively scheduled for Oct. 28, according to a senior Chinese official quoted by the London *Financial Times* on July 28. Of particular note, is that the two sides have reportedly made progress toward reaching an accord that would allow U.S. companies to sell nuclear equipment to China.

The open discussion in Washington of a "Silk Road" policy comes two years after Schiller Institute founder Helga Zepp LaRouche participated in a conference in Beijing on "The Development of the Nations Along the Eurasian Land-Bridge," and began campaigning around the world for the intensive development of Eurasia.

### Talbott rejects the 'Great Game'

On July 21, Strobe Talbott spoke before the Central Asia Institute of Johns Hopkins University on "U.S. Policy in the Caucasus and Central Asia." He told the gathering, "The consolidation of free societies at peace with themselves and with each other, stretching from the Black Sea to the Pamir Mountains, will open up a valuable trade and transport corridor along the old Silk Road between Europe and Asia." Furthermore, he denounced the Great Game played by the British Empire in the 19th century against its Russian adversary, for dominance in the region: "For the last several years, it's been fashionable to proclaim and to predict a replay of the Great Game in the Caucasus and Central Asia. The implication, of course, is that the driving dynamic of the region, fueled and lubricated by oil, will be the competition of the great powers, to the disadvantage of the people who live there. Our goal is to avoid and actively to discourage that atavistic outcome. In pondering and practicing the geopolitics of oil, let's make sure that we are thinking in terms appropriate to the 21st century, and not to the 19th. Let's leave Rudyard Kipling and George McDonald Frazier where they belong, which is on the shelves of historical fiction. The Great Game, which starred Kipling's Kim and Frazier's Flashman, was very much of the zero-sum variety. What we want to help bring about is just the opposite."

He added that there was an alternative to the presumed inevitable and irresistible temptation of the great powers to replay the Great Game for the purpose of plundering the region for the oil and gas of the Caspian basin. "There's no question that overcoming old prejudices and predispositions from the era of Lt. Harry Flashman needs to be a constant theme in our own diplomacy in the region, and we are using our good offices to that end."

## Fostering economic and political ties

Undersecretary of State for Economic and Business Affairs Stuart Eizenstat continued Talbott's theme, in testimony before the Senate Foreign Relations Committee the next day. "Despite its rich historical and cultural diversity, much argues for dealing with this vast region as a whole," he said. "Historically, this area has been both a cradle of civilization and learning and a transmission belt to Europe and Asia for scholars, traders, soldiers, and missionaries. . . . The Caucasus/Central Asian region also has great promise as a trade and transport corridor linking Europe with Asia."

Eizenstat confirmed that the area has become a priority for the Clinton administration. Four of the region's leaders have either recently visited the United States for consultations with the administration, such as Georgia's President Eduard Shevardnadze, Kyrgyzstan's President Askar Akayev, and Azerbaijan's Gaidar Aliyev, or will be coming, such as Kazakhstan President Nursultan Nazarbayev. Eizenstat confirmed that First Lady Hillary Clinton will be visiting Kazakhstan and Kyrgyzstan in the fall. He stated that the administration sees it as in U.S. interest to promote the rapid development of Caspian energy resources, multiple oil and gas pipelines, and transport corridors which will tie each nation to the others and to the West, and help end ethnic conflicts in the area.

U.S. Energy Secretary Federico Peña gave a press conference in Moscow on July 23, in which he reassured his hosts on the issue of the pipelines which will be built to transport oil out of the Caspian region. In response to those in the Congress and elsewhere who want to play the geopolitical game of fomenting conflicts within the region and between Russia and the United States, the better to manipulate for control over the resources, Peña told the Russians that the administration supports multiple pipelines, an approach which will not exclude Russia, as some desire. He said, "We are very hopeful about the extraordinary opportunities in the Caspian region for the development of oil and gas for the world. Our philosophy is to encourage all of the countries involved in the exploration and transportation of oil and gas from the Caspian Sea to work together. So, for example, we support the concept of multiple pipelines and multiple pipeline routes throughout the region, as oil and gas are extracted from the Caspian region. And, we have had conversations with leaders from many of the countries in the Caspian region, and we are encouraging the United States companies that are involved to also support the concept of multiple pipelines and regional partnerships. So we believe that the exploration and the transportation of oil and gas in the Caspian region will be helpful both to Russia and to the other countries which are involved today, and we believe this is helpful to the United States, because it will diversify the energy supplies throughout the world, which is consistent with our own energy security strategy."

Speaking in Africa, which will have to be linked to the

Land-Bridge for its future development, U.S. Transportation Secretary Rodney Slater told the African/African-American Summit on July 25, in Harare, Zimbabwe, that the building of transportation systems is often the first step nations take after long periods of strife. "As Africa moves forward on projects," he said, "I think it is important to know the key role that infrastructure development can play to improving a country's economy and a continent's economic standing." He said he intended to work closely with American transportation companies to get them to invest in Africa. He located his proposals in the tradition of his friend Ron Brown, who was known for advocating state-to-state relationships, using the private sector to promote the interests of the nation.

## British agents lash out

At the Senate Foreign Relations Committee Hearing on U.S. policy toward Central Asia and the Caucasus, some of the senators who questioned Secretary Eizenstat after his presentation reflected the geopolitical strategies of such British-linked think-tanks as the Heritage Foundation. Leading in this line of questioning was Conservative Revolutionary Sam Brownback (R-Kan.), a first-term senator who chairs the Near Eastern and South Asian Affairs subcommittee. Brownback made clear that he views U.S. interests in the region as beating out two hostile competitors, Iran and Russia, for the benefit of multinational companies that want to control the resources. The day before, he had presented his views to this effect at a Heritage Foundation forum, "The Silk Road Strategy: American Foreign Policy in Eurasia."

Others who have followed this line of attack in recent weeks are Sir Caspar Weinberger, Reagan's former secretary of defense who was knighted for his services to the Queen, and who testified at the same hearing, and neo-conservative pundit Frank Gaffney, who wrote an opinion piece to the same effect in the *Washington Times* on July 30.

Lyndon LaRouche commented on U.S. relations to the nations of this region, in a radio interview with "EIR Talks" on July 30. To the administration's policy of fostering partnership among nation-states, he contrasted the approach of those who are associated with Kissinger and the British: "The Kissinger-Bush policies are like British policies, as you see that in the Congress, and elsewhere, and in the press. The forces which are associated with Kissinger and Bush, are pushing the United States to take a tough line against China—various kinds of conditionalities and so forth—at the same time that Kissinger and Bush, or his brother Prescott, push for commissions on business deals, negotiated on behalf of U.S. and other businesses, with the Chinese government. . . . The Bush-Kissinger policy is—apart from Kissinger being as slimy as he usually is, twisting and turning in the wind, to try to conceal his identity—but these guys' policy is the United States should take a tough line against China, and clear the way for businesses to engage almost in smuggling activities, and profiteering from smuggling activities."

# The O'Dell case and LaRouche's exoneration

by Marianna Wertz

Joseph Roger O'Dell III was executed in Virginia on July 23. O'Dell went to prison a "lost soul," who had spent much of his life in crime. But the fight he waged to reform himself and to prove his innocence in the murder for which he was executed, has sparked the largest international protest against America's use of the death penalty in recent years. Indeed, Joseph O'Dell has already been redeemed by this fight.

Just before he died, O'Dell married Lori Urs, a close friend who had fought for his legal rights. His last words were, "This is the happiest day of my life because I married my wife." Then, addressing Virginia Gov. George Allen, who refused him clemency, O'Dell said, "You are killing an innocent man. I hope you'll preserve the evidence for future testing." The chance to prove his innocence through a second DNA test on various samples found on the body of the murder victim, was denied all the way to the U.S. Supreme Court. The first DNA test, conducted after the 1985 murder, was inconclusive, but DNA experts testified that now, modern technologies would give conclusive results. Attorneys in the case have now moved to preserve the evidence, which could exonerate O'Dell.

The leading edge of the international protest was centered in Italy, where the death penalty is considered barbaric, and the idea of executing an innocent man is seen as the height of barbarism. More than 10,000 appeals for clemency poured in to Governor Allen in the days before the execution, two-thirds of them from Italy. Pope John Paul II appealed personally to President Clinton to halt the execution. Prime Minister Romano Prodi appealed repeatedly to Governor Allen and to the U.S. Supreme Court. Hundreds of Italian parliamentarians called for clemency for O'Dell, many visiting Governor Allen personally to make their appeal.

## LaRouche movement intervenes

The international movement associated with Lyndon LaRouche launched a major intervention in the case, and is now helping lead the fight to ensure that O'Dell did not die in vain—that his death leads to a cleaning out of the barbaric elements in the U.S. justice system.

On July 18, Lyndon LaRouche penned a letter to the editor of the *Arlington [Va.] Catholic Herald*, which covers the diocese in which Associate Supreme Court Justice Antonin Scalia, a professed Roman Catholic, resides. Scalia, who vociferously supports the death penalty, cast the deciding vote

in the 5-4 decision against O'Dell's appeal. In his letter, LaRouche wrote, "The purpose of my letter is to call on St. Catherine's Roman Catholic Church, of which Justice Scalia is a member, to repudiate his actions as a Supreme Court Justice, from the pulpit. As long as his philosophy is given credence by leaders of the church, it will mislead faithful Catholics that it is somehow coherent with their faith. . . ."

"If we forget the Christian appreciation of Genesis 1:26-28, we join the Social Darwinists in that return to paganism, in whose arena there is no moral distinction between man and the beasts, while the mob, acting with Scalia's endorsement, delivers the verdict, thumbs up, or down. If we repudiate agapē in matters of justice, as Scalia does, then, as the beloved I Corinthians 13 warns, we are as nothing."

On July 21, the Schiller Institute contacted Mother Teresa in Calcutta, asking her to make an appeal in the case. She released a moving call to Allen and Scalia, saying, "I come before you today to appeal for the life of a man—Joseph Roger O'Dell. I do not know what he has done to be condemned to death. All I know is that he, too, is a child of God, created for greater things—to love and to be loved. I pray that Joseph is at peace with God; that he has said sorry to God and to whomever he has hurt. Let us not take away his life. Let us bring hope into his life and into all our lives." Her appeal was read to O'Dell before he was killed.

On July 23, the evening of the execution, the Schiller Institute held a candlelight vigil outside the U.S. Supreme Court. Lyndon LaRouche's letter was read and the audiotape of Mother Teresa's statement was played.

On July 28, Helga Zepp LaRouche, founder of the Schiller Institute, released an Open Letter to the Nation of Italy, urging that the mobilization against the killing of O'Dell be turned into a fight to end the corruption in the U.S. judicial system, by taking up the case for the exoneration of Lyndon LaRouche. "To those determined to have no more Joseph O'Dells, I urge you: Take what [former U.S. Attorney General] Ramsey Clark has identified as the worst case of the U.S. Justice Department, and overturn it, by demanding that President Clinton exonerate Lyndon LaRouche. Only in this way, will the barbarians in the Department of Justice, and Supreme Court Justices like Antonin Scalia, who believe in mob rule, be ousted."

On July 29, at the request of O'Dell's widow, Lori Urs O'Dell, the Schiller Institute organized a vigil at the Norfolk International Airport, as O'Dell's body was being placed on the plane that would carry him to his final resting place in Palermo, Italy, which has determined to make his gravesite a monument against the death penalty. At the vigil, which was led by Father Tom Carraluzzi, an Episcopal Vicar in the Richmond Roman Catholic Diocese, Nina Ogden of the Schiller Institute read Zepp LaRouche's Open Letter to the Nation of Italy, pledging that O'Dell's death would not be in vain. Mrs. O'Dell vowed to continue to fight until the death penalty was ended in the United States.

# House GOP leadership no longer functions

by Carl Osgood

The attempt from within the House Republican Conference to unseat Newt Gingrich (Ga.) as Speaker of the House, revealed by *The Hill* newspaper on July 16, has paralyzed the House Republican Party. While the turmoil may have temporarily subsided, the ideological fault lines that led to the plot against Gingrich, including differences over how confrontational the Republicans should be in their drive to tear down the U.S. government, including the Presidency, have not been closed.

Republicans held a much-ballyhooed “healing session” on July 23, and everybody came out of the meeting with nothing but words of reconciliation. Prior to that meeting, there had been much talk of unseating Majority Leader Dick Armey (Tex.), who vociferously denied any role in the plot, and pointed (without naming names) at other members of the leadership, including Majority Whip Tom DeLay (Tex.) and Conference Chairman John Boehner (Ohio). Dissidents, led by Lindsay Graham (S.C.), threatened to bring a privileged resolution to the floor calling on Gingrich to step down. But they were more furious at Armey and Boehner, who, they insisted, were behind the plot until Armey backed out at the last minute.

At the meeting, DeLay reportedly came the closest to confessing that he had attempted to overthrow Gingrich. He could be heard in an audiotape leaked to Fox News, saying, “Toward the end of the [July 10 meeting with the dissidents], they put me on the spot and they asked me if I would vote with them to vacate the [Speaker’s] chair, and I said I would.” DeLay described his actions as “a serious mistake in judgment.”

The row has weakened the Republican Conference. The renegades have backed down from their rebellion, for now, but the 105th Congress is barely halfway through its first session, and Armey, DeLay, and Boehner are no longer in Gingrich’s inner circle. Instead, Gingrich will be relying more on those who remained loyal to him during the crisis, including Ways and Means Committee Chairman Bill Archer (Tex.), Republican Policy Committee Chairman Christopher Cox (Calif.), and Chris Shays (Conn.), among others. Newly added to Gingrich’s inner circle are Jennifer Dunn (Wash.) and Deborah Price (Ohio), recently elected to the positions of conference vice-chair and secretary, respectively.

Back in January, after Gingrich had been ordered by the House to pay a \$300,000 fine for ethics violations, Sen.

Ernest Hollings (D-S.C.) was quoted by *U.S. News and World Report* saying that Gingrich “thinks we’ve got the parliamentary system and he’s the prime minister—that we over in the Senate are just a bunch of House of Lords and the President is ceremonial.” The behavior of the rest of the House GOP since the beginning of the 104th Congress, betrays the fact that the mentality that Hollings identified, is widespread, and explains why the ideological fault lines that separate the different Republican factions can never be permanently mended.

## The GOP’s baby-boomer problem

Lyndon LaRouche described the source of the GOP’s problem, in an interview with the radio program “EIR Talks” on July 23. LaRouche identified the British intelligence takeover, through the Mont Pelerin Society and the Jay Lovestone Trotskyist networks, of the Republican Party in the 1970s, in the aftermath of the Watergate scandal. The result of this, combined with the up and coming “baby-boomer fanatics” entering the party from the college campus population of the 1960s, was “a complete paradigm shift in the base of the Republican Party,” he said. LaRouche pointed to the fact that the political mentality of the baby-boomer generation was shaped by the post-industrial ideology.

“Now,” LaRouche said, “because the Republicans do not have a mass base in the productive section of society (not much of one, that is), among trade unionists, for example, typical of that, because they’re anti-labor, generally, and especially so nowadays; these are the freebie people, the people who want to get something for nothing on the stock market, that sort of thing, or on the mutual funds market or in derivatives, that kind of thing. These are the quasi-criminal tendencies of somebody looking for something for nothing, as in speculation on futures. So this mentality has destroyed the base of the Republican Party, which used to have a large base in farmers and all kinds of constituencies like that; industries—we wiped out industry, we wiped out banks, that is, real banks, local banks, like savings banks, and savings and loan banks. Those were all wiped out. So, the traditional constituencies of the more serious, patriotic hard core of the Republican Party, are out of business, either because they’re aged, or because they’ve been put out of business, in bankruptcy, by economic developments.

“That party just doesn’t function now. There are still a few people; I think the passing of Dole from political life, who was one of the—Bob wasn’t perfect in politics, but Bob was institutional: He wouldn’t destroy the government, the way a Gingrich or people like that would do, in order to make an ideological point. And the problem is, you’ve got too many people in the Republican Party who are weak; who still have some sense of institutional values, but they’re weak, and they capitulate all too quickly, to the rampages of a madman like Gingrich, or one of the people around Gingrich who are even crazier than he is.”



## North Korean government bypassed on food aid

The House added an amendment to the Agriculture Appropriations bill on July 24, that prohibits any assistance to North Korea, "except for assistance that is provided to needy people by the United Nations World Food Program or private voluntary organizations . . . and not by the government of the Democratic People's Republic of Korea."

The amendment, sponsored by Christopher Cox (R-Calif.), is a knee-jerk reaction to British propaganda claiming that the North Korean military is being kept fed at the expense of the general population, an assertion disputed by the WFP. Cox argued that his amendment was necessary to prevent U.S. food aid from being used to subsidize the North Korean military.

Tony Hall (D-Ohio) supported the premise of Cox's argument, declaring that "not one jot of food should be used to feed North Korea's standing army." However, Hall confirmed that food aid donated through the WFP "is reaching the children and ordinary civilians who are facing starvation, and that is verified by independent monitors." The amendment was approved by a vote of 418-0.

## Climate-change talks must not harm economy

On July 25, the Senate unanimously voted up a resolution which warns the Clinton administration not to accept any treaty that comes out of negotiations set for Kyoto, Japan in December, that would exempt developing countries from emissions limits on so-called "greenhouse" gases or "would result in serious harm to the economy of the United States." The unusual feature of the debate is how Democrats

and Republicans came from opposite directions to reach the same conclusion, as expressed in the resolution.

Chuck Hagel (R-Neb.), who co-introduced the resolution with Robert Byrd (D-W.V.), questioned the alleged science behind the global warming propaganda. "If anything has become clear during Congressional hearings on this issue," he said, "it is that the science is unclear, that the scientific community has not even come close to definitively concluding that we have a problem."

Pat Roberts (R-Kan.), who chaired the House Agriculture Committee during the 104th Congress, pointed to the devastating effects new emissions restrictions would have on farming, and asked, "How on earth are we going to do this and still feed America in a troubled and hungry world?" The answer from the State Department negotiators, he said, "has not been forthcoming."

Other arguments by Republicans amounted to little more than partisan sniping at the Clinton administration, however.

Democrats complained that the United States should not be a signatory to a treaty that exempts 133 countries, including China and India, from emissions restrictions that it imposes on the United States and other developed countries. In an argument that typifies Democratic concerns, Byrd said, "There is sufficient evidence of a probable trend toward increased warming of the Earth's surface resulting from human interference in natural climate patterns." However, he said, "I do not think the Senate should support a treaty that requires only half the world to endure the economic costs of reducing emissions, while developing countries are left free to pollute the atmosphere and, in so doing, siphon off

American industries." Part of Byrd's argument, echoed by some Republicans, was a lengthy attack on China, because it would soon become the largest consumer of coal in industry and, hence, the largest producer of "greenhouse gases."

While some of the arguments in favor of the resolution are certainly flawed, the unmistakable message to the White House is that any treaty that comes out of the Kyoto negotiations will face an uphill battle in the Senate.

## Rules-fight in House linked to GOP turmoil

The turmoil that has recently been tearing the House Republican Party apart, spilled onto the House floor during debate on the Agriculture Appropriations bill beginning on July 22. The bill originally came to the floor on July 16 without a rule limiting debate or amendments. However, after a late-night meeting on July 22, the Rules Committee decided to bring up a rule that severely restricted who could bring up amendments, and reduced debate time on amendments to an absurdly short ten minutes, five minutes for each side. The rule was approved by a vote of 222-206.

Republicans claimed that the rule was made necessary because of delaying tactics by Democrats, including their demands for roll call votes on eight bills considered under suspension of the rules, a procedure normally used for bills that are non-controversial in nature and passed by voice vote. Because a roll call vote technically requires 15 minutes, but, in fact, takes longer, at least two hours of the session on July 22 was taken up with votes on minor bills, pushing the debate on the agriculture bill back to 10 p.m.

David Obey (D-Wisc.) said, after a heated debate on the Women, Infants, and Children nutrition program, that it was the Democrats who tried to obviate the roll call votes, but were rebuffed by Republicans. He said, "I would suggest we have a fundamental problem with the leadership of the majority party in this House which is apparently in chaos. That chaos is spilling over into an incredible exhibition of arrogance on the part of the majority party in the Committee on Rules."

## Funding for NED restored in Senate

On July 24, Sen. Dale Bumpers (D-Ark.) challenged the need for Federal funding of the National Endowment for Democracy, during Senate debate on the Commerce, Justice, State, and the Judiciary Appropriations bill. The bill came to the floor without any NED funding, but Richard Lugar (R-Ind.) brought up an amendment to provide the NED with \$30 million, to be paid for by a similar reduction in the State Department's capital budget. Most of the debate was characterized by high praise for the "good work" the NED has done in Mongolia, eastern Europe, and elsewhere.

In fact, the NED is an arm of a "secret, parallel government" apparatus, partially exposed in the Iran-Contra scandal. It conducts foreign policy for private interests, outside the control of the responsible U.S. government agencies.

Bumpers began his attack on the NED by calling it a "boondoggle" that is taking forever to die. He said the NED "has as good a record of meddling in foreign elections as any organization the Earth has ever known."

He criticized the NED for its high administrative cost, and the fact that, last year, it gave out \$4.125 million each to the U.S. Chamber of Commerce, the Free Trade Union Institute of the AFL-CIO, the International Republican Institute, and the National Democratic Institute, the last two being arms of the respective national parties, leaving only \$9 million for grants which went out to 218 different entities for an average of \$41,096 per grantee. "That will not even buy first class air tickets to get to the election in Cambodia or wherever," he said.

Bumpers and Judd Gregg (R-N.H.), who joined him in his criticism, consider the NED to be a waste of taxpayers' money. Other than Bumpers' one reference to the NED's meddling in foreign elections, there was no discussion of how the NED is engaged in the overthrow of foreign governments, most recently in Mexico (see *EIR*, July 18, p. 42). Lugar's amendment passed by a vote of 77-22.

## Tax, budget bills set to move ahead

On July 28, the Clinton administration and Congressional Republicans concluded marathon negotiations on the budget and tax bills which have been in conference for over two weeks. On the Democratic side, the agreement includes \$35 billion in education tax credits; \$24 billion for children's health insurance, to be partially paid for by a 15¢ per pack increase in the cigarette tax (what President Clinton described as "modest" tax relief); and \$3 billion to "move welfare recipients to private sector jobs."

The Democrats also gained some concession from the Republicans on

the \$500 per child tax credit. Under the agreement, it will be partially available to families with incomes down to \$18,000, whereas the Republicans had wanted the bottom limit to be \$24,000. Republicans claimed that giving the credit to families that receive the earned income tax credit would be "welfare."

Among those joining Clinton on the South Lawn of the White house the following morning to celebrate the agreement were Rep. Charles Rangel (D-N.Y.) and House Minority Whip David Bonior (D-Mich.), both of whom had been lukewarm to agreements with Republicans since the original May 2 budget deal. At press time, House Minority Leader Richard Gephardt (D-Mo.) had yet to be heard from. Gephardt actively opposed the budget and tax bills the first time they came up for floor debate in the House.

Republicans gained big changes in the capital gains tax and the estate tax. On the estate tax, the individual exemption would rise from the current \$600,000, to \$1 million, over ten years. The capital gains tax rate is to be cut to 20% for upper- and middle-income families, and to 10% for lower-income families.

Medicare will be hit by cuts of \$115 billion, mostly in the form of reduced payments to providers, and medical savings accounts will be expanded to 390,000 people. Three Medicare provisions dropped from the agreement were testing for affluent senior citizens, raising the eligibility age from 65 to 67, and charging a \$5 copay for home health care visits.

Still to be resolved is the issue of the treatment of workfare recipients. The agreement assures them minimum wage and workplace protections, but the language has yet to be worked out.

# National News

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## Barry blasts financial dictatorship over D.C.

The White House and Congress decided July 30 on a plan to put the District of Columbia financial control board in charge of most of Washington, D.C.'s government for at least four years, stripping Mayor Marion Barry and the D.C. City Council of most of its power.

Barry characterized the takeover as a "rape" of freedom and "colonial," in a July 30 statement: "The Republican Party historically has not supported full freedom, full democracy and full self-determination for the residents of the District of Columbia. . . . We have come full circle since the Republican Party took over leadership of both the House and Senate. Re-colonization is being promoted by several key members of the Republican Party. . . . Sen. [Lauch] Faircloth (N.C.), who has led the effort to re-colonize the citizens of the District, has raped democracy and freedom."

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## FEC, grand jury probe 'Christian' Coalition

The Federal Election Commission and a federal grand jury are looking into alleged illegal political contributions by Pat Robertson's Christian Coalition, according to the July 29 *Virginian-Pilot*. The Coalition's former chief financial officer, Judy Liebert, has turned over hundreds of pages of documents, in response to a suit by the FEC charging the Robertson group with illegally contributing money to election campaigns. Although the Coalition, founded in 1989, is registered as a tax-exempt religious charity (and therefore cannot engage in electoral politics), the Internal Revenue Service has not, after eight years, ruled whether to allow it tax-exempt status.

When he fired Judy Liebert in 1996, Robertson reportedly offered her \$80,000 severance pay and attorneys' fees if she would swear never to speak out against the Robertson organization; she refused. Among the details provided to the FEC is a

\$60,000 contribution from Ohio businessman John W. Wolfe, with a letter stating that Wolfe understands the Coalition "is very supportive of President Bush and that you will be doing a massive distribution of literature on his behalf." Liebert gave a deposition stating that Robertson's executive director, Ralph Reed, told her to treat the Wolfe money as an anonymous donation and that "he didn't want the letter on file anywhere."

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## William Weld ain't going 'down Mexico way'

William Weld announced on July 27 that he would resign as governor of Massachusetts in order to fight for his nomination to be U.S. Ambassador to Mexico, despite intense opposition from Sen. Jesse Helms (R-N.C.), chairman of the Senate Foreign Relations Committee. Helms has made it clear he believes Weld to be unfit to serve because of his record on drugs, and has said he won't even hold hearings on Weld's nomination.

The weekly newspaper *New Federalist* editorialized on "William Weld, Good Riddance!" in its Aug. 4 issue: "We rarely concur with Sen. Jesse Helms, but in the case of William Weld, he is right—for the wrong reasons. Weld is pro-drug, but in a much larger sense than Helms indicates. Weld [while U.S. Attorney and later head of the Justice Department Criminal Division] was the guy who managed the plea bargain with the Bank of Boston money-launderers in 1985; who covered up for Ollie North's Contra drug-pushing in 1986-87; and who supports moves toward drug legalization. . . ."

"William Weld . . . was one of the key people involved in fashioning the legal frame-up, and suborning the perjury, that led to the prosecution and imprisonment of Lyndon LaRouche. Weld's office kicked off his witch-hunt with a major media blitz in Boston back in 1984. After his Boston grand jury got nowhere, Weld brought in state attorneys general from around the country to look for material to 'get' LaRouche, and ultimately ended up using lies from a government agent to reopen a grand jury. Weld's use of forced bankruptcy proceedings to carry out his prosecution was so outrageous, that eventually a federal bankruptcy judge ruled it to

have been illegal.

"Yet, William Weld never had to pay a penalty for his evil. . . ."

"We understand why some people want to get Weld out of Massachusetts, or even out of the country. But let's not inflict him on any friend and neighbor."

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## Arrested militiamen have Brit pedigree

Kansas paramilitary militia leader Bradley P. Glover and six other persons were arrested on July 4, on charges of plotting to bomb U.S. military bases, beginning with Ft. Hood, Texas. The arrests were said to result from Missouri state police infiltration of paramilitary groups.

Bradley Glover is one of a number of militia leaders associated with British Intelligence stringer Jon Roland, founder of the Texas Constitutional Militia. In April 1995, Roland told *EIR* that his "good buddy" Ambrose Evans-Pritchard, ostensibly Washington correspondent for the London *Sunday Telegraph*, had put him "in touch with intelligence agents around the world." Roland, who has a military intelligence background, advocates an "international federalist movement," and the formation of a "true constitutional world government"; he is associated with Friends of the Earth, Greenpeace, and the L-5 Society, and favors Mexico's Zapatista terrorists.

According to the *Wichita Eagle* of April 30, 1995, Glover is said to lead about 1,000 armed men in southern Kansas. Back then, when *EIR* informed Glover of Roland's extraordinary world federalist affiliation, Glover said he would decline to state whether he favored a world government.

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## Dennis Speed to run vs. Kabila-backer Payne

Dennis Speed, the Schiller Institute coordinator for the Northeast, announced on July 20 that he plans to seek the Democratic nomination for Congress against Donald Payne (N.J.), former chairman of the Congress-

sional Black Caucus. In his statement, Speed cited "Payne's persistent and uncorrected support of genocide in Africa."

"On April 29, an op-ed appeared in the *Washington Post*, ostensibly authored by Payne, which praised the butcher Laurent 'Hitler' Kabila, as a 'liberator' of Zaire," Speed said. Since last year, "my organization has sought to correct what we hoped to be Payne's misapprehension concerning the situation. Payne not only refused to meet with constituents, . . . but also refused to meet with Godfrey Binaisa, a former President of the nation of Uganda.

"It is Uganda's current President, Yoweri Museveni, who has been proven to be the agent of implementation of a plan to recolonize Africa, on behalf of the British Crown's Department of International Development. Museveni had consciously modeled his grand imperial design on Adolf Hitler."

Speed pointed out that Payne is a former employee of Prudential Insurance, and is currently an active member of the National Endowment for Democracy, meaning "he is in bed, not only with the apparatus today destroying Africa, but also with the same apparatus that brought 'crack' into the streets of the United States in the mid-1980s."

## NAACP veteran endorses LaRouche candidacy

The Rev. Wade Watts, a veteran civil rights activist from Oklahoma (who is famous for having converted a Ku Klux Klan leader, with whom he now frequently holds joint services), was among the first to endorse Lyndon LaRouche's candidacy for President. In his statement on July 19, Watts wrote: "I am in hopes that President Clinton would listen to LaRouche before any of the other candidates. He has the best program; he would stop the slaughter of the children and old people. . . ."

"I am the Oklahoma State Executive director of the NAACP and I made Lyndon LaRouche an honorary Negro, because he is the most lied-about man that I know. Because he was lied about by the media and the government, Lyndon has never carried the

majority, but we should recall that the majority is often wrong. Like the Rev. Dr. Martin Luther King, Lyndon LaRouche pricks our conscience. We must remember that . . . the majority voted to crucify Christ. He went down under a landslide of rejection.

"The Apostle Paul tells us that faith, hope, and love remain, after all else is put aside. Lyndon LaRouche has faith; he gives us hope; and, above all, he loves mankind. I am proud to endorse Lyndon LaRouche in his candidacy for the Democratic Presidential nomination."

With characteristic humor, Watts signed his endorsement, "When I pass away, I want six good Democratic pall bearers to carry me to my final resting place."

## Miami millionaire helps heat up Mideast conflict

Dr. Irving Moskowitz, a Miami-based millionaire who makes his money from a bingo club near Hawaiian Gardens, California, was granted a permit by the Jerusalem City Council to construct apartments for members of the Ateret Cohanim yeshiva in the middle of the Arab neighborhood of Ras al-Amoud. Ateret Cohanim's purpose is to reclaim the so-called Temple Mount, to build the Third Temple of Solomon, on what is the site of the Al Aqsa Mosque, one of Islam's most holy sites. Moskowitz was involved in last September's provocation in Jerusalem, in which more than 75 Arabs and Jews died. He was a major funder of the opening of the Hasmonean tunnel near the Temple Mount, which sparked major riots.

In response to Moskowitz's effort to sabotage Mideast peace, Michel Shehadeh, the Los Angeles executive director of the Arab-American Anti-Discrimination Committee, called on President Clinton to apply to Moskowitz last year's Executive Order freezing the accounts of groups known to be raising funds for terrorist acts in the Middle East. "The President's order regarding funding of terrorism should be applied to Moskowitz. His actions threaten to sabotage the peace process, and that is what the Executive Order was issued to address."

**TEXAS DEMOCRATS** are being advised not to run a gubernatorial candidate against Gov. George W. Bush, according to the *Houston Chronicle* of July 26. Democratic Lt. Gov. Bob Bullock, who is not seeking reelection, characterized the desire to run against Bush by Land Commissioner Garry Mauro as a "kamikaze" effort.

**SUSAN MCDOUGAL** told CNN on July 22, that she is willing to testify on the Whitewater issue in open court, before a jury, but will never testify before a grand jury, as special prosecutor Kenneth Starr has demanded. She also said that she will not ask President Clinton for a pardon, in order to get out of the Los Angeles jail, where Starr was having her held for contempt from September until late July.

**RESEARCH CHIMPANZEES** should not be euthanized but "should be cared for even after they are no longer needed," said a July 16 report from the National Research Council. Reflecting pressure from the pro-animal rights frenzy, the NRC suggested a "central office within the federal government should assume ownership . . . and oversee their lifetime care and management," which could add up to \$300,000 in a chimp's 25- to 34-year life span.

**NURSES** at Kaiser Permanente, one of the pioneer for-profit hospital and "health maintenance" companies, held a work stoppage in California for the second time in two months, to protest Kaiser's budget cuts, reduction in nursing personnel, and work rule changes that permit non-professionals to perform medical tasks. The nurses have been working without a contract since early this year.

**ACT UP**, the crazy homosexual lobby, is running a ballot petition campaign to have "medical marijuana" legalized in the District of Columbia, including as treatment for such illnesses as AIDS, glaucoma, muscle spasms, cancer therapy, and so on.

## Editorial

### *Defeat Britain's 'invisible empire'*

U.S. Ambassador to Uganda Michael Southwick, in an interview to the French daily *Le Figaro* published on July 30, blasted the lies that have been appearing in the international press, concerning U.S. policy toward Africa, and particularly the Great Lakes region. "Certain French analysts are persuaded," he said, "that American policy in Africa is run by Metternichs, diplomatic aces who have a strategic vision, who think constantly about Africa, about its resources, its borders inherited from the Congress of Berlin. This is simply not at all true, I can assure you."

Readers of *EIR* have long known, that it is Britain, not the United States, that is pulling the strings of puppets such as Uganda's Museveni and Zaire's Kabila. Our *Feature* this week provides extensive further documentation of this point. Lyndon LaRouche, in *EIR*'s editorial on Feb. 7, warned that unless the British oligarchy's strategic gameplan were defeated, the United States would be blamed for the British-sponsored genocide, and the wars in Africa would become a "quagmire" for the United States, much worse than the Johnson administration's Vietnam debacle.

Now is the time to up the ante. *EIR*'s staff is assembling an intelligence profile of Britain's "invisible empire," for publication next week, which goes far beyond what we have published up to now.

Don't think about Prince Charles wiping away a tear, as the Union Jack was lowered over Hongkong! The British Empire today has nothing to do with what one might normally associate with the trappings of colonial power. What they have in store now, for the nations of the world, is much, much worse.

The Royals are replacing the institutions of the nation-state with privately run corporate and mercenary enterprises, reporting directly to the British Crown. This can be clearly seen in Africa, where, on May 9, top financiers from the British Commonwealth met in Lubumbashi, Zaire, with Laurent Kabila, to bankroll his murderous march to power. Through such corporate entities as Crown Agents and Executive Outcomes, armed gangs are being created that are running amok

throughout the African continent. Some of them even operate under United Nations auspices: private mercenary armies in blue helmets.

You have a "corrupt" regime running your country? Okay, say the British, we'll send in some nice "clean" professionals, to run the place. Transparency International and the World Bank will give you a new, sanitized "government," to oversee the looting of what used to be your nation, on the part of the British Commonwealth's raw materials cartel and other financial holdings.

Aside from Africa, *EIR*'s forthcoming report will focus on two other principal targets of this Thirty Years' War scenario: Ibero-America and the United States.

The very same forces of the British Empire that are destroying Africa, have targetted Central and South America, and are the main threat to the existence of the nation-states there—a region of over 350 million people. In Brazil, which is by far the largest, most populous, and most heavily industrialized country on the South American continent, the destabilization of the nation-state by these networks is most advanced. Brazil, indeed, is intended to be the next "Zaire."

As for the United States, we shall expose the role in fostering terrorism of the Church of England-run Pentecostalist movement. These networks have their tentacles deep into the U.S. military and retired military, as well as the militia movement. With their origins in the British-Israelite grouping in the early years of this century, the Pentecostalists have grown to be a very significant force for destabilization of the American republic. The lower-level operatives, the "low church" types, are manipulated, in this time of deepening global economic and social crisis, to direct their rage against the institutions of the American nation-state itself. They will tell you that 1776, the year that most people associate with the founding of the American republic, was actually the year that the Illuminati began to take over the world! Meanwhile, their "high church" controllers, Anglophile to the core, chuckle, as they receive their knighthoods from Queen Elizabeth II.

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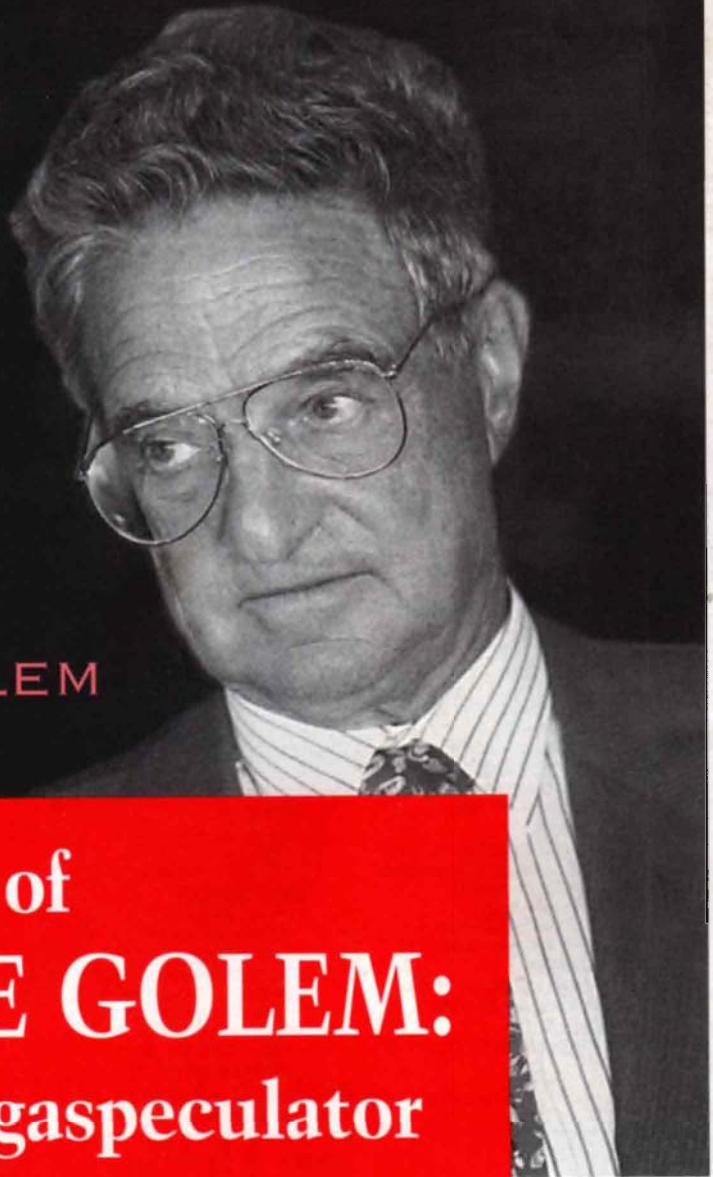
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