

## LaRouche rips indictment's 'paranoid conspiracy theory'

*Independent presidential candidate Lyndon H. LaRouche, Jr. gave a press conference at the National Press Club in Washington, D.C., on Oct. 17, the morning before the arraignment of himself and six associates on the new indictments issued by U.S. Attorney Henry Hudson of Alexandria, Virginia Oct. 14. The following is Mr. LaRouche's opening statement, and selections from the question period.*

**LaRouche:** I shall make the minimal required reference to the events which occurred last week in Alexandria, and then—but more importantly—devote most of my opening remarks to the significance of the events, and the significance of the political motivation of those in the Democratic Party who are responsible for the conduct of Henry Hudson and his superior—former superior—Mr. [William] Weld.

One could say, of the indictment itself, that all those who perpetrate offenses against God or humanity or both, are sooner or later punished, some in this life, usually for smaller sins, and later, perhaps, for major sins. One might say, for example, of the case of Benito Mussolini, who committed great sins, that according to appearances, he has been punished for his crimes by being reincarnated as Michael Dukakis.

The indictment itself is the biggest piece of garbage I've ever seen. It's largely, as you might determine for yourself, a replay of a theory which is a rather paranoid conspiracy theory, which was aired rather fully in Boston, and after a lengthy trial, which ended in a mistrial. The jurors polled themselves as to their opinion on the case, hearing most of this argument, and voted to exonerate all of the defendants, and also commented that the problems in the case were government misconduct.

Mr. Henry Hudson was part of the team, which was organized under the direction of Mr. Weld, which was responsible for what the federal judge in the Boston case characterized as "institutional and systemic misconduct," and the Alexandria office was a partner in overt acts of government misconduct which are so listed in the Boston legal record.

It's not accidental that this action should come three weeks before the coming election. Mr. Dukakis's backers do not expect me to get a large vote in the election, but to exert a large influence of a certain kind. And I'm going to address that influence, to make clear what, as the boys say, is going on here.

It's probably been observed that most recent presidential campaigns have selected candidates and elected officials who have been, to a large degree, figureheads in the government, at least by the standards set for the President by the U.S. Constitution; that increasingly our government is run, essentially, by an establishment, a corporation, so to speak, an informal corporation of establishment interests which determined what the President will do in the way of major policy, at least long-term policy, and allow the President to make a few decisions on his own on secondary matters.

In the current campaign, we have the dullest presidential campaign in postwar history. The candidates themselves have begun to allude to that—at least Mr. Bush has, under questioning. And one would therefore wonder, with such a terribly dull campaign, and despite differences between Mr. Bush and Mr. Dukakis on issues—particular, isolated issues—in terms of the policy on the economy and many other things, there is very little difference between the two, at least in terms of their present commitments. Therefore, why the heat? And why, therefore, do I come under attack?

Well, in point of fact, as those of you who have been around longer and are more privileged to know, our government, like most governments in the Western world, is run by establishments, in general, in terms of overall policy. But presently, we have what can be broadly defined as three factions in the international establishment, which also correspond to three factions here in the United States.

One faction is the extremely liberal faction, typified in Britain and other parts of Western Europe, as well as here, by Lloyd Cutler, and similar types of people. These are the people who, with the Boston insurance complex which owned Michael Dukakis and has all of his political career, are deciding Mr. Dukakis's policy. So therefore, if Mr. Dukakis were to be elected, the policies of the U.S. government would be set, in all probability, entirely by that establishment, typified by Mr. Lloyd Cutler.

There are two other factions. While I'm not an establishment figure, I function on the level of an establishment figure, and closest to, as I think anyone can perceive, the American traditionalist currents, and typified by not only the military and intelligence and other elements of government professionalism, but by the average constituency-oriented groups inside the Democratic Party, and to some degree, of course, also in the Republican Party.

In between these two extremes—if you would have it—you have the lower extreme, represented by Mr. Dukakis (the lower extremity), there is a large faction that is not quite as enthusiastic for Moscow as Mr. Dukakis has expressed himself to be, not quite as left-wing, which—like Mr. Kissinger, for example—is committed to diminishing U.S. power in the world, diminishing our strength for an arrangement called “global power-sharing” with Moscow. However, it's also obvious that there is a difference between Mr. Cutler and Mr. Kissinger—as Mr. Kissinger has made quite clear recently—and Mr. Kissinger on this account reflects, not necessarily speaks for, but does reflect the attitudes of most of this middle layer of the international establishment. Mr. Kissinger says: Global power-sharing is all right, it's good, but we must be very cautious about how we proceed to these kinds of arrangements.

And so therefore, the question is, in the likelihood that Mr. Dukakis were to be elected, I think most of you would demand an immediate acceleration of the Mars program, and you'd volunteer to be on it, because what he intends to do to the United States is what is called, by people like Michael Ledeen, for example, “universal fascism.” It's a combination of measures taken by Mussolini in Italy, called corporative measures, which Mr. Dukakis has pushed heavily, together with savage austerity of the type that the Brüning and Schacht administrations imposed on Germany. That's the general approach.

So, from Mr. Dukakis, if he were elected, we would get nothing but bad—especially the poor, especially the ordinary working people, and especially those to whom Mr. Dukakis

and the Democratic Party purport to be appealing in this election.

If Mr. Bush were to be elected, what would happen? Well, we don't quite know. But we know that since the Dukakis election gives the United States a hopeless prospect—but if Mr. Bush is elected, the question is, what can we do to ensure that the combination of policy-shaping influences around the next administration—not just Mr. Bush as such, but the next administration—is a combination, probably, of this middle layer, which Mr. Kissinger, in a sense, is identifying with, though he does not represent it in a large sense, and the traditionalist, nationalist group, which believe in technological progress, which believe in the rights of the elderly, which believe in traditional American things, and that this combination might be able to steer this country safely, as an influence on the administration, through the next four years.

And on that subject, in conclusion, the next two years are going to be the most dangerous in the history of the United States. What's happening in Yugoslavia is only a portent of what's about to break out. We must expect that, between Nov. 9 and the inauguration, there will be an explosion of pent-up issues which will confront the U.S. government during the transitional period, with financial, economic, strategic, foreign policy, and other kinds of problems, unlike anything that's been faced by any transitional period of government in our recent history. That, in the next four years, probably based on the kinds of decisions we make in the next two, the essential future of the United States—and perhaps civilization—will be determined for a century to come. And that's what's at stake.

Mr. Dukakis's group, the people behind him, and the people associated with him—that's documented enough in the printed material available, so I won't go into that. But if they get into power, I see very little chance for the United States in the future. I see the next two years as a series of the worst blunders imaginable. And I see the prospect of the survival of the United States and civilization as we have known it approaching an end—in effect, an end of an era, not merely of the postwar era, but of a much longer span of time.

If Mr. Bush were elected and we have the right combination of forces around the government, a bipartisan combination, then there's a chance that the United States might respond to crisis with policies which make sense, and that our nation might survive.

And therefore, my advice to the voters, which I try to make as clear as possible, in television broadcasts and other means, is: Don't vote for a pretty face. Don't vote the way you voted in recent elections. Don't vote for somebody who you vote against in the next round of elections. Look at what you're voting for. In the case of Mr. Bush, we don't know what we're voting for. I'm not going to vote for him personally, but those who are going to vote for him, we don't know

what we're voting for. Mr. Bush has certainly not made that clear.

But we do know that the American citizen ought to vote to make sure that that citizen, and the constituency interests he or she represents, should represent a significant stock interest in shaping the policies of the next government. And therefore, those who are rallying with me, either directly in supporting my activities, but not always my campaign, and those who are rallied inside the Democratic Party—even inside the Democratic Party machines, and Republican machines—who are rallied about the kind of idea I represent, for the organization of the government under, say, a Bush administration: that we must act to effect the condition in which the majority of the American people have an effective stock interest in the combination which controls the next

administration.

I'll take questions now.

**Q:** Mr. LaRouche, will you be appearing in Alexandria this afternoon for the arraignment of—

**LaRouche:** I expect so, they've got to—

**Q:** How will you plead?

**LaRouche:** Well, of course, this is a piece of garbage. I'm certainly not guilty of any of this. This, if you'll notice, is nothing but, in large part, the same theory of the case, which was tried in Boston. The only exception to the Boston case, which is not being simply repropounded here as a replay of the Boston case which the jury rejected, is the tax allegation.

Now, that's not a tax evasion allegation; that's an alle-

## Judge sets date for LaRouche trial

A trial date of Nov. 21, 1988 was set at the arraignment of Lyndon LaRouche and six associates, by U.S. District Judge Albert V. Bryan, Jr., in Alexandria, Virginia on Oct. 17. LaRouche, William Wertz, Edward Spannaus, Michael Billington, Dennis Small, Paul Greenberg, and Joyce Rubinstein all pled not guilty to the charges of conspiracy to commit mail fraud, specific counts of mail fraud, and conspiracy to defraud the Internal Revenue Service.

All the defendants were released on \$5,000 bonds, secured by their personal recognizance. Judge Bryan said that he saw no problem with travel by the defendants, and refused to place any such restrictions on the defendants as part of their conditions of release.

Assistant U.S. Attorney Kent Robinson sought and failed to get the court to approve restrictions on foreign travel for candidate LaRouche, whose wife, Helga Zepp-LaRouche, is a citizen of West Germany. Judge Bryan overruled him, saying, "Travel is just not a problem in this case. It is not something that concerns me."

In setting the early trial date, Judge Bryan, the chief judge of the district, vindicated the reputation of the Eastern District of Virginia court, as the "rocket docket." Numerous pretrial motions scheduled by the defense, however, have the potential of derailing the fast track.

### Transfer motion filed

Lawyers for LaRouche and six associates immediately

filed a motion at the arraignment itself, requesting the transfer of the new case to the federal court jurisdiction in Massachusetts.

The motion argues that, since the new prosecution is substantially identical to the one brought against LaRouche and some of his same associates in Boston in 1986-87, it should either be transferred to the judge who knows the case in Boston, or merged with the old case, which is now scheduled for retrial in Boston on Jan. 3, 1989.

The transfer motion asserts that "having selected Boston as the forum for this national prosecution more than two years ago, the government should not be allowed to now in effect 'transfer' the case to Alexandria because it does not like the results achieved in Boston.

"To allow the government to forum shop for a better venue at the eleventh hour of this national prosecution by filing the overlapping and duplicative Alexandria indictment would not only be unfair and result in duplication of judicial, governmental, and defense resources, but would also be inconvenient and against the interest of justice."

In support of this motion, the defense demonstrates in great detail that the two indictments are virtually identical, not only in their charges of a form of "loan fraud," but also in utilizing many of the same overt acts, alleged victims, and witnesses.

### Undue burden

The defense also argues that to proceed with the new trial would be "unduly burdensome" on defendants. Arguing that the new prosecution in a new jurisdiction violates the defendants' constitutional rights, the motion reads:

"The due process considerations raised by this case are extremely serious. Defendants' limited financial and emotional resources are already strained as a result of the

gation—a very peculiar, most mysterious one, an allegation of a conspiracy to evade a tax liability which I didn't have and which the government does not claim I had. Now you should recognize that this is purely political stuff. Such kinds of nebulous charges, made two to three or four weeks before an election against the candidate for election. . . .

**Q:** I'm still a bit confused as to how a Republican administration, Republican Justice Department, a Republican United States Attorney, who's been in power for seven and a half years, could be influenced by Michael Dukakis to bring this indictment. Can you explain?

**LaRouche:** Well, you look at the pamphlet which has been put out by the campaign, which documents the connection of Mr. William Weld with Mr. Michael Dukakis. Mr. Weld,

protracted federal prosecution in Boston, as well as the various state prosecutions. The continuation of this highly duplicative prosecution in a geographically distant district would only exacerbate the situation. It already has obliged the defendants to retain additional counsel, as well as pay the expense of Boston-based counsels' travel to, and living expenses in, Virginia. Second, it has forced them to divide both their time and their energy between the Boston and Alexandria prosecutions. This inevitably has resulted in a diffusion of the defendants' ability to defend themselves.

"Given all of its resources and power, the government should not be permitted to use multi-district prosecutions when the effect is diffusing defendants' ability to effectively defend themselves. Indeed, carried to its logical extreme, the government would have to concede that if, in a case of national scope with multiple alleged frauds occurring all over the country, it may proceed simultaneously in two districts, then it may, *a fortiori*, proceed simultaneously in five or ten or even each of the ninety-five federal judicial districts. Obviously, such a practice is not only fundamentally unfair, but would also infringe upon defendants' Sixth Amendment rights. Indeed, by forcing the defendants to over-extend their resources, the government may ultimately deny defendants the effective representation of counsel."

Indeed, government spokesmen through the press have often expressed their aim of using criminal prosecutions to try to drain the LaRouche movement of resources.

The transfer motion also argues that the dual prosecutions in Alexandria and Boston are intended to eviscerate Lyndon LaRouche's presidential campaign, and will accomplish such by diverting monies to legal defense. "Though extremely effective, this strategy should not be countenanced by this Court," the brief concludes.

even though he's nominally a Republican, belongs to the same faction in Massachusetts and around the country to which Mr. Michael Dukakis belongs. Mr. Michael Dukakis was his superior at one point. He has done political dirty tricks for Mr. Dukakis in Massachusetts, as against former Mayor Kevin White, an action by Mr. Weld on Mr. Dukakis's behalf, which was denounced by the superior court as using methods analogous to Soviet methods of prosecution. One must recognize that inside the Justice Department itself there is a left-over residue of professionals dating from the period of the Kennedy administration and Ramsey Clark, people who in that period were associated with Walter Sheridan. These are not Republicans. These are part of the Justice Department establishment—professionals—and they've been built up over the years; they're called the "Kennedy machine" inside the Justice Department. And the "Kennedy machine" is very angry with us—since it's made a deal with Mr. Dukakis—that we are not doing nice things to help Mr. Dukakis. And therefore, the "Kennedy machine" inside the Justice Department has gone along with this operation. . . .

**Q:** Mr. LaRouche, can you tell us what your income was over the years, that you were supposedly evading paying taxes on?

**LaRouche:** No, the government does not charge I was evading taxes! Read the indictment carefully. The government does not charge that, for a very obvious reason. I have made clear, publicly and on the legal record, in detail, my personal tax liability, or income situation, over a period of more than a dozen years. The government has never questioned those statements, and those facts, and that evidence. They had no case for coming with a tax evasion case in this case, because I have no money income; most of it is the gifts of friends, or I'm hosted by a variety of organizations of various parts of the world, including governments, international associations, conferences, etc., etc.

So, I have no income, and the question of whether any of the expenses expended on my behalf are a benefit to me fall in the category: Did you report a tax return when your friend picked you up in a car, or a stranger, to take you out of the rain? Did you report it at the rate you would have spent for a taxi for the same service? Or did you report every time somebody served you a canape at a house party?

So, in this kind of situation, there is no tax liability. The government knew that, no matter how they would construe these things, in point of fact, I would not reach the threshold of income, even by a stretch of the imagination, for which I'd be required to file a tax return. So, the government knows I have no income. Therefore, what they said is, "Oh, how can we get him on taxes? Well, we can't get him on taxes, so let's try something else. Let's say that he did something, which might have tended to cause him to conceal income if he had been liable for taxes." And the thing is a screwball charge. . . .