



## 'Project Democracy' on trial in Boston LaRouche case

The year 1987 is the bicentennial of the U.S. Constitution. Whether that document is currently, in practice, worth more than the paper it is written on, is the principal question in *U.S. v. The LaRouche Campaign et al.*, which is scheduled to come to trial June 1 in the U.S. District Court in Boston.

The "Iran-Contra" scandal now rocking the Reagan administration, challenges the very fabric of constitutional law in the United States, as it brings into question the rule of elected officials. The "secret government" now under scrutiny by congressional investigators and Independent Counsel Lawrence Walsh, has *made law* for the United States, behind the backs of this nation's elected officials.

With the filing on March 11, 1987 of new pre-trial motions in the Boston court case, a much deeper level of this political scandal was made public. These motions establish, beyond a shadow of a doubt, that the "secret government" which carried out the illegal weapons-for-hostages deals with Khomeini and the Contras, has been deeply involved in the selective and vindictive prosecution of individuals and organizations associated with declared U.S. presidential candidate Lyndon LaRouche. The prosecution has been carried out by agents of this "secret government" for the explicit purpose of destroying its political enemies—LaRouche and associates.

What these motions establish, abridged here and without exhibits, "could blow the government's case" against LaRouche "sky high," according to knowledgeable observers. The case should also, if honestly conducted, result in the indictment and prosecution of the *prosecutors*.

Lawyers for the defense in these motions have charged that LaRouche and his associates were in direct conflict with the Poindexter/North NSC over policy issues and fundraising; that LaRouche and his associates were targeted by the FBI and NSC for "dirty tricks" under the government's "counterterrorism" program; and that the National Endowment for Democracy, the public side of Project Democracy,

funded opponents of LaRouche.

Federal Judge Robert Keeton ruled on March 9, in favor of defendants' motion for a delay in the start of the trial until June 1, in order to hold substantial evidentiary hearings on pre-trial motions.

Whether these motions and the array of evidence being marshalled by the defendants can succeed in bringing the "secret government" to the full light of day through the process of the trial, remains to be seen. But the survival of the U.S. Constitution depends on it.

### **Joint Supplemental Motion to Dismiss on Grounds of Selective and Vindictive Prosecution Reflecting Newly Discovered Evidence**

#### **Factual Background**

Defense motions in this case were due on or around February 3, 1987. Since that date new information relevant to this case has been released via the news media and the Tower Commission investigating the National Security Council. This new information supports Defendants' belief that this Prosecution is rooted in a selected prosecution based on policy disputes arising out of foreign affairs, domestic politics, and the operations of the United States intelligence community.

The new information falls into two categories:

1. "Project Democracy"—On February 15, 1987 the *New York Times* reported that in 1982 an interagency program of the Government named Project Democracy was created to undertake a broad range of covert and overt action programs in the field of foreign policy. According to the *Times*, the overt side was run by the National Endowment for Democracy (NED), a bipartisan political organization composed of the Democratic and Republican parties funded by the U.S.

Government. The covert side was run, according to the *Times*, by Lt. Col. Oliver North of the National Security Council (NSC) at the White House. . . .

Among the groups under investigation for being utilized by Colonel North for Project Democracy are 15 groups set up by Republican fundraiser Carl Channell, which funded millions of dollars to support the Contra effort. As will be shown below, Carl Channell's organizations were in direct competition with the Defendants for very large contributions. . . .

2. In mid-February 1987, Mr. Frank Varelli testified before a Congressional committee regarding recent Federal Bureau of Investigation (FBI) infiltration of political groups in the United States. Mr. Varelli stated that he was instructed by FBI superiors to infiltrate a group in Texas opposed to U.S. policy in Central America. Varelli stated that his FBI supervisors often spoke of "breaking" the group politically because of its opposition to U.S. foreign policy. The FBI conducted this domestic political infiltration under the title of "counter-terrorist" investigation—authorized by Executive Order 12333. Among the persons Varelli stated were under FBI investigation for terrorist activities are former U.S. Representative Michael Barnes and U.S. Senators Christopher Dodd and Claiborne Pell. Varelli stated that the FBI conducted warrantless break-ins under the purported authority of this investigation. It should be noted that Assistant FBI Director Oliver "Buck" Revell served on an interagency counterterrorism committee headed by Lt. Col. North. . . .

## **I. LaRouche and Associates Were in a Dispute with Lt. Col. North Apparatus on Contra Question and Raising of Funds**

As previously stated in Defendants' motions, LaRouche and certain Defendants maintained a working relationship with the National Security Council of the White House until 1983-84. This relationship is further reflected by the trial testimony of Judge Clark's Executive Assistant at the NSC, Richard Morris. Mr. Morris testified among other things that Mr. LaRouche received security clearance to visit the White House, and that the matters discussed with Mr. LaRouche could not be discussed for reasons of national security. . . . With the departure at that time of William Clark from the position of National Security Advisor and his replacement by Robert MacFarlane and later John Poindexter, significant policy changes occurred at the White House. Concurrently, as the *New York Times* reported, Lt. Col. Oliver North began his program of overt and covert Project Democracy activities leading up to the current scandal in Washington. . . .

The relevance of these developments to this case is the fact that Defendants and their associates were in direct competition with Lt. Col. North and his associates in obtaining funding for their respective projects. It is unlikely that Lt. Col. North and associates would have overlooked Defendants' activities, as can best be shown by the following example.

## **A. Barbara Newington, Oliver North and Western Goals**

. . . Western Goals is a political organization co-founded by the late Rep. Larry McDonald and the late husband of Barbara Newington of Connecticut. Barbara Newington has continued to support Western Goals as its largest contributor, and, according to press reports, she donated one million dollars to the Channell-North apparatus. Barbara Newington is also a very large contributor to causes organized by LaRouche and associates. . . . During the period 1985-86, Mrs. Newington was in frequent contact with Defendants' representatives. A representative of Defendants was informed by Mrs. Newington of the desire of Carl Channell and Oliver North that she provide the funding vehicle for pro-Contra activity. Defendants' representative persuaded Mrs. Newington not to provide such a funding vehicle for the Contras on several occasions. Defendants' representative urged such a course of action based on the political belief that the Contra policy is a wrong policy. During the 1985-86 period in effect a tug-of-war developed between the Channell-North covert grouping and Defendants and associates for the patronage of Mrs. Newington. Arguments and counterarguments were made by the opposing interests to convince Mrs. Newington to support one cause or the other. . . .

Defendants believe on information and belief that Oliver North's interagency committee to conduct covert activities against opponents of the Contra policy targeted LaRouche and associates because of this competition for funds.

Defendants believe there is a relationship between the Varelli infiltration campaign and the interagency group headed by Oliver North and including FBI Assistant Director Revell.

## **II. Defendants Believe They Are Improperly Targeted as Part of the Government's 'Counterterrorism' Program of Dubious Legality**

In or about 1982, President Reagan signed classified Executive Directive 12333 relating to efforts of federal agencies involving counterterrorism. On information and belief the FBI has conducted numerous warrantless break-ins within the U.S. under the purported authority of that directive.

Defendants believe that they have been targeted by federal agencies under that directive and have been subject to illegal surveillance and destabilization efforts under this revived COINTELPRO-type program.

Support for Defendants' belief is as follows:

- David Abshire, now Special Assistant to President Reagan in charge of the Iran-Contra matter and Edward Bennett Williams, Esquire, members of the intelligence community oversight panel called the President's Foreign Intelligence Advisory Board (PFIAB), raised the issue of LaRouche and associates at the PFIAB meeting in January 1983. . . . Abshire asked if the FBI could investigate LaRouche and as-

sociates under the guidelines governing FBI harassment of political groups or *otherwise*, presumably suggesting an extra-legal investigation. Williams asked for U.S. intelligence analysis of possible funding for LaRouche and associates by "hostile foreign intelligence agencies." Apparently, a review of the matter was undertaken by the U.S. intelligence community. The matter was referred to Assistant FBI Director *Oliver Revell*, who served on the interagency task force headed by Oliver North.

- Unsolved break-ins have occurred at offices of Defendant Caucus Distributors, Inc., including an unsolved break-in at the Boston office on or about January 23, 1985. Nothing of value was taken, but documents and files were disturbed and several blank Caucus Distributors, Inc. checks were missing.

- The FBI keeps a file on *EIR*'s policy initiatives and FBI Counterintelligence communicated to FBI offices that Defendant NCLC and *EIR* were "propitious" to the aims of Soviet intelligence agencies. . . .

- Defendants believe they were targeted as interfering with Oliver North's Iran arms deal for pursuing a contact offer offering release of the hostages in Lebanon. . . .

### **III. The National Endowment for Democracy (NED) Branch of Project Democracy Has Funded Opponents of LaRouche**

The NED was created in 1982 as the overt side of the Project Democracy operation, according to the *New York Times*. The NED is a joint venture of the Democratic and Republican National Committees, but funded by the U.S. Government. The alleged purpose of the NED is to foster democratic values in other countries, such as those promoted by the NED.

The Defendants and associates have a long history of significant political activity in the United States. Their activity has been denounced by both the Democratic and Republican parties nationally. Defendants also have a long history of organizing politically and over policy issues in other countries, including Western Europe, South America, and free Asia. Defendants' policy proposals have been at odds often with *status quo* policy options regarding free countries.

For example, LaRouche and associates became alarmed about the U.S. banks' foreign debt overextension with developing nations before the issue became publicly known. LaRouche and associates developed a plan to deal with the Latin American debt called Operation Juárez in 1982. . . . LaRouche met with the President of Mexico, the President of Argentina, and numerous other high ranking leaders of Latin America to popularize Operation Juárez. . . .

The National Endowment for Democracy includes among its sponsorship not only the Democratic and Republican par-

ties, but also other organizations in the private sector. Among these is the League for Industrial Democracy, which has funded Dennis King, a writer who wrote the *New Republic* article in 1984 regarding the LaRouche-National Security Council relationship, as well as a pamphlet about LaRouche and associates entitled "Nazis without Swastikas" which was funded by the League for Industrial Democracy. . . . King's *New Republic* article contained numerous interviews with high-ranking present and former members of the U.S. intelligence community, as if the author had ready access to such persons.

Defendants believe that LaRouche and associates have been targeted by Project Democracy for their policy views. This targeting would explain why the U.S. State Department alerted embassies in 1982-83 that LaRouche and associates were to be discredited by embassy employees when foreign nationals inquired about their political activities. Another example is a memo from Assistant Secretary of State Elliott Abrams (in charge of Latin American policy) in which Abrams requests the State Department to pass information about LaRouche and associates to the FBI "which I assume must keep close tabs on Mr. LaRouche". . . . NED, being a grouping of *status quo* political parties and interest groups, running a "privatized" foreign policy for the U.S. Government, begins to take on sinister dimensions when its activities connect with domestic political infiltration and destabilization as FBI informant Varelli testified before Congress.

In addition, key recipients of money from Project Democracy funding conduit the National Endowment for Democracy (NED), such as the American Institute for Free Labor Development (AIFLD), which is the foreign policy apparatus of the AFL-CIO, has regularly engaged in counter-organizing against LaRouche and associates.

- AIFLD regularly distributes to its attendees at its George Meany Center of Labor Studies in Silver Spring, Maryland, a packet of materials taken from 1982 editions of the AFL-CIO newsletter of "The Strange Cult of Lyndon LaRouche." The same packet is also distributed by its affiliates and representatives in Colombia, Argentina, Panama, and elsewhere.

- The labor attaché of the U.S. embassy in Bolivia, who works closely with AIFLD there and throughout the continent, regularly distributes a Spanish-language packet of negative information on LaRouche entitled "The Truth about Lyndon LaRouche."

- AIFLD receives more than 70% of its \$18.3 million in funding from the U.S. State Department and NED.

Defendants are entitled to an evidentiary hearing to determine the extent of Project Democracy's targeting of LaRouche and associates for political destabilization.