1986 Hallowe'en party key in Justice Dept. case against LaRouche

by EIR News Service

You might say that the U.S. Department of Justice is spooked.

Earlier this year, in a Boston trial against U.S. Democratic presidential primary candidate Lyndon LaRouche, federal prosecutors were desperate to keep the relevant doings of U.S. government spooks from coming to the surface. That case ended in a celebrated mistrial, in which the discharged jury voted that they would have acquitted the defendants on all counts.

A ghastly gathering

Following that mistrial, the inter-agency governmental task-force behind the legal harassment of LaRouche et al. shifted tactics. They attempted to retry what is substantially the same case, using the same key witnesses, in an Alexandria, Va. federal court. Now, with that second trial in progress, spooks are back in the picture again. This time, the ghastlies in question are of a different variety than those featured in Boston. Prosecutors are trying desperately to keep the lid on the facts of a certain Hallowe'en party, back on October 31, 1986.

That Hallowe'en party is a featured part of the entire federal case against LaRouche et al. That curious festivity comes into the center of the prosecution's case in the following way. We identify the principal forces behind these legal frame-ups. We then identify the nature of the general charge on which all of the cases are based consistently. We show how the prosecution in both federal cases has conspired with a circle of left-wing LaRouche-haters, centered around the 1986 Hallowe'en party, to construct both the Boston and Alexandria cases.

The 'Get LaRouche Task Force'

The legal targeting of LaRouche and his associates by both the federal government and several Democratic Party state attorneys general, is the work of a federally-coordinated, national inter-agency task-force, composed of several federal agencies and sub-agencies, sundry state agencies, and an assortment of private associations and even business firms including such as the so-called Anti-Defamation League (ADL), a syndicate of private banking officials, and Federal Express. The political direction of the prosecution comes from left-wing elements, such as former Boston U.S. Attorney William Weld, from elements of the U.S. Department of Justice which work in close cooperation with the Soviet KGB,

and from such as Deputy Assistant Attorney General Mark Richard and the OSI.

The principal direction of the legal frame-up from other parts of the Reagan administration comes from the circles of long-time Jay Lovestone crony Leo Cherne. Lovestone is the former Soviet Chekist once appointed by Soviet dictator Nikolai Bukharin to head the Communist Party U.S.A. After being dumped from the U.S. Communist Party leadership by Stalin, the Lovestone intelligence network continued to cooperate with both Stalin's intelligence service and the U.S. State Department until approximately 1938, under the cover of the International Rescue Committee. The Industrial Engineering Department of the New York City-based International Ladies Garment Workers Union, was the Lovestoneite base of intelligence operations inside the U.S.A.

After 1938, but especially during the post-war 1940s, Lovestone and his crony Cherne rose to a powerful position inside the labor-centered operations of the U.S. intelligence community. In recent years, Cherne became a leading figure of President Reagan's President's Foreign Intelligence Advisory Board, and a guiding hand behind covert U.S. government operations conducted under the cover of such Reagan Executive Orders and Directives as Executive Order 12333 and 12334. This complex associated with Cherne is the political center of legal harassment operations from inside the Reagan administration's intelligence community.

The role of Cherne and his accomplices overlaps a similar role by Project Democracy, an official arm of the U.S. government. Some of the most direct targeting of LaRouche and his associates for legal harassment has been coordinated through an ostensibly unlawful domestic covert intelligence operation known as the Office for Public Diplomacy. The latter operations against LaRouche et al. have been associated since no later than mid-1983, with former CIA official Walter Raymond, and crony of long-standing Soviet agent Armand Hammer, Charles Z. Wick, Director of the U.S. Information Agency.

According to Vatican sources, this cabal of Soviet appeasers also includes the circles of former CIA Director William Colby and U.S. Ambassador to the Vatican Frank Shakespeare. The circle of liberal Catholics associated with Colby in this enterprise, are otherwise distinguished by their posture of appeasement of Moscow, as is merely illustrated by Colby's recent statement in support of negotiating a blend-

62 National EIR December 9, 1988

ing of operations of the U.S. Central Intelligence Agency and the Soviet KGB.

Most of the legal harassment since approximately October 1983 has been done on direct orders of the Soviet government at the highest level. There has been no legal harassment of LaRouche et al. by the U.S. Department of Justice during this period, which was not taken in obedience to prior demands for such actions issued from the highest level of the Soviet command, and published in the leading Soviet press. Everything done against LaRouche et al. was done as part of the Reagan administration's 1984-1988 pattern of appeasement of Moscow.

On the Justice Department prosecutors themselves. This operation has been centered in a collection of documented left-wingers inside the Criminal Division of the Justice Department. These left-wingers have included former head of the Criminal Division, Stephen Trott, whose singing career with a "Weavers"-modeled group, the "Highwaymen," was managed by the same agency which directed the "Weavers" and Pete Seeger from the 1940s onward. According to his own written admissions, Trott's subordinate, former Boston U.S. Attorney and later Criminal Division head William Weld, was associated with left-wing causes from no later than the mid-1970s onward, with business investments in production of Communist propaganda films by Beijing military intelligence.

Apart from their targeting of LaRouche et al., Trott and Weld are on the sworn Congressional Record, as cooperating with Senator Grassley (R) of Iowa and others to destroy the Defense Department's fragile system of procurement, an operation in which Alexandria U.S. Attorney Henry Hudson, a member of the federal "Get LaRouche Task Force," has played a key role.

The official liaison with the Soviet KGB and Moscow Procurator Pustogarov within the Criminal Division of the Justice Department is Deputy Assistant Attorney General Mark Richard, the official responsible for the Soviet official channel within Justice, the OSI (Office of Special Investigations). The OSI has the official responsibility for using forged evidence manufactured by the Soviet KGB and the office of the Moscow Procurator, to persecute U.S. citizens targeted for elimination by the KGB. So far, it has performed that service to Moscow faithfully.

To assist the OSI, the Justice Department relies upon other Soviet channels, including one Charles Allen and the Anti-Defamation League. Typical of the ADL's sources are Beate Klarsfeld and the West Germany-based VVN organization (Vereinigten Verfolgten des Naziregimes). Both are formally agents of East Germany's Ministry of the Interior, the dreaded "Stasi." The VVN was created by Soviet intelligence during the immediate post-war period as the motheragency for creating the post-war Communist parties and their networks of accomplices inside West Germany. Beate Klarsfeld is an asset of this network. So is the West German Green

Party, which was brought into the West German parliament through aid of Secretary of State George Shultz's policy of "dialogue with the Greens."

However, the evidence does not show that all of these elements of the "Get LaRouche Task Force" operations were simply the work of Soviet assets inside the U.S. government. Although many of the hard-core adversaries of LaRouche inside the Reagan administration have backgrounds as former Trotskyists or Lovestoneites, they are not simply long-term Soviet intelligence penetration-agents into our Justice and Defense Departments' administration and intelligence services.

At the highest level of political control, the "Get La-Rouche Task Force" is composed chiefly of a combination of two elements with common and conflicting interests and objectives.

On the one side are purely Soviet assets, such as the cronies of Armand Hammer, the Bronfmans, and the complex of official and private-consulting agencies around Mark Richard and the OSI.

On the other side, are high-ranking Anglo-American financier interests associated with the "save Gorbachov" effort, whose political representatives are typified by Lloyd Cutler and the Peace Links, World Wildlife Fund, and Club of Rome cabals within the U.S. Congress. By standards of the Cold War period of the 1950s, all of the latter circles would be classed as "Soviet fellow-travelers," as ineligible for a federal security clearance. Former CIA Director Colby's current appeasement antics would not have been tolerated then. By today's standards, these circles have been elevated from the indignities of the term "Soviet fellow-traveler," to the esteem of "back-channels to Moscow."

Typical of the forces used by former CIA official Walter Raymond, in setting into motion the covert Public Diplomacy operation against LaRouche, during the summer of 1983, is one Roy Godson. Godson is a second-generation Lovestoneite, who had been a virulent LaRouche-hater since approximately the time LaRouche's associates beat off Communist hooligans, back

Charles Z. Wick did, through what became Executive Order 12333's Office of Public Diplomacy operation, was prompted chiefly by President Reagan's March 23, 1983 nationally televised announcement of the Strategic Defense Initiative. What the President did then was to adopt a project on which LaRouche had been working with Judge William Clark's National Security Council for more than a year prior.

Ironically, what Walter Raymond, Roy Godson and others did, from inside the National Security Council, was to spread a forged charge that LaRouche was a secret asset of the Soviet government, to drive a wedge between LaRouche and Judge Clark. Then, approximately October 1983, Raymond, Godson, et al., with backing from Leo Cherne's cronies inside the President's Foreign Intelligence Advisory Board, unleashed the current Justice Department operations

EIR December 9, 1988 National 63

against LaRouche, in coordination between NBC-TV news and other assets and accomplices of Cherne and Godson. As part of the same operation, they secured the ouster of Judge Clark as National Security Adviser.

The clincher was the leaking of what is known today as the Oleg Gordievski report. This leak alleged that Moscow was ready to go to war against the U.S. during late 1983, and that LaRouche must be eliminated as a virtual *casus belli* between the two superpowers. The Gordievski leak was a Soviet-concocted hoax, run into the U.S. through complicity of a corrupt section of British intelligence.

So, although LaRouche et al. were already hated and under attack by bankers' and other circles which the Cold War period would have classified as "Soviet fellow-travelers," the "Get LaRouche Task Force" was set into motion by the Reagan administration, and Reagan's cowardly abandonment of a leading architect of his SDI policy out of fear that Moscow viewed LaRouche as a *casus belli* for nuclear war between the two superpowers. By 1985, the administration line became, "Keep away from this man; he is dangerous."

This is exactly what the Soviet government demanded at the highest level, already during mid-1983, but most emphatically during the period January-March 1984, the period of the covert operation run through NBC-TV News. In the later period, the Soviet press published statements from the highest level of the Soviet government: the Reagan administration must break openly and definitively with LaRouche, "or else."

It was this Soviet policy, aided by corrupt accomplices in the highest levels of British and U.S. intelligence, which was used, with assistance from the cronies of Armand Hammer, Edgar Bronfman, and Charles Z. Wick, to bend President Reagan's will, to induce him to make the vast concessions to Moscow he has made during and since 1984.

This pattern of behavior by the "Get LaRouche Task Force" continues to the present day.

It was this cited complex of Cherne associates which initiated the 1984 legal actions against LaRouche et al. During the period from the summer through the end of September 1986, Raisa Gorbachova's Soviet Cultural Fund, funded prominently by Armand Hammer, called repeatedly for what became the Weld-Hudson Leesburg Raid by a joint federal-state task force on October 6-7, 1986. That raid was done as the fruit of an understanding between Moscow and Washington, an agreement directly related to the October 1986 Reyjavik "summit" between President Reagan and General Secretary Mikhail Gorbachov.

If Gorbachov wears what the New Testament identifies as the Mark of the Beast, so does each and every member of the "Get LaRouche Task Force."

The prosecution itself

The "Get LaRouche Task Force" is run through the indicated left-wing channels of the Justice Department, in collab-

oration with the Armand Hammer-linked Raymond-Wick Public Diplomacy covert operations, and in close collaboration with elements of the Democratic Party centered around Democratic National Chairman Paul Kirk, Senator "Pat" Moynihan (D-N.Y.), and New York's Governor Mario Cuomo. The legal harassment by combinations of state Democratic Party attorneys general and certain networks of private attorneys, is coordinated by a national, multi-agency task-force centered in the Criminal and Civil Rights Divisions of the Justice Department.

This task-force uses complicit elements of the news media, such as AP wire services, Reuter's, etc., to try the legal cases in the press by aid of such means as the oft-repeated piece of gibberish, "political extremist Lyndon LaRouche." Various private agencies, including Federal Express, and a network of former FBI agents operating as security officers within banks, are an integral part of this operation.

The purpose of the operation is twofold: 1) to eliminate LaRouche, including arranging circumstances for his assassination, to the degree possible; 2) to shut down the business operations and flows of revenue associated with persons actually or suspected of being linked to LaRouche in some sympathetic way. For this reason, the type of "financial warfare" developed by the war-time Special Operations Executive is a leading feature of the legal and extra-legal operations coordinated through the Justice Department. Every effort is made to discredit LaRouche's security problems, thus to create the circumstances in which he might be assassinated by a disavowed "lone assassin" or a group of terrorists.

The targets of the "Get LaRouche Task Force" itself, are LaRouche personally, foremost, and the philosophical association of which he is the leading intellectual figure, the National Caucus of Labor Committees (NCLC). It is on these accounts that the Justice Department has reached down into the political sewer for its key charges and key witnesses in both the Boston and Alexandria cases.

The 1986 Hallowe'en party enters the trial in the following way.

In the Alexandria federal frame-up case, there are three charges, of which two are the specific criminal charges: The premise on which the entire case depends, is the charge that the National Caucus of Labor Committees (NCLC), is a specific sort of conspiracy, in and of itself. The second charge, which covers twelve of the thirteen charges of the indictment, is that the defendants were each and all Labor Committee members engaged in a loan-scheme conspiracy. The third charge, the thirteenth count of the indictment is weird: That is the allegation that, while Lyndon LaRouche is not charged with evasion of taxes, he is charged with a conspiracy to conceal income which might have been subject to taxes.

The charges are so constructed, that if the NCLC is not the kind of conspiracy the prosecution alleges, then there is no conspiracy on any of the thirteen counts of the indictment. Throughout the indictment, at all times the prosecution alleges a conspiracy on the counts of an alleged loan-scheme, or tax-conspiracy; the prosecution's alleged evidence of the existence of a conspiracy on those counts, is the allegation that the NCLC is a conspiracy of the sort it alleges.

It is formal deductive logic; the connection is of the sort termed "the hereditary property." The prosecution's premise is that the NCLC is a conspiracy of a certain sort, and all charges against the defendants in the Boston and Alexandria case are simply "hereditary" extensions of that premise.

This is where the Hallowe'en party comes upon the scene. It is a group of actual conspirators, associated with that Hallowe'en party, who invented the fairy-tale which the prosecution employs as the basis for its misrepresentation of the NCLC as a conspiracy. The fact of that connection is already in evidence on the legal record.

The Bardwells celebrate the raid

Following the news of an armed raid, in battalion strength, on Leesburg, Virginia, on October 6-7, 1986, a certain Steven Bardwell and his wife Gail organized a Hallowe'en costume party to celebrate the government's action. A printed invitation was issued, avowing this to be the purpose of the party.

The two hosts, and all but one of the core of featured guests invited to that party, were already scheduled as prospective prosecution witnesses against the defendants in the Boston "LaRouche trial." The one featured guest not on that list, was a self-professed sewage engineer from Florida, Costas Kalimtgis, who is the political leader, so to speak, of that tight little, LaRouche-hating cult centered around the Bardwells. According to eyewitnesses at that party, Kalimtgis delivered a guest of honor's address to the party, in which he stated that his purpose in traveling from Florida to attend that party was to "send LaRouche to jail."

Behind Kalimtgis and the Bardwells, stands the Soviet KGB.

According to his own repeated information, two of Kalimtgis's uncles, on his mother's side of the family, are high-ranking operatives of the Soviet KGB. One uncle, who Kalimtgis has stated trained him, is based out of Varna, Bulgaria; the other is based out of East Germany, and is a high-ranking official in the Greek seamen's section of the KGB. Kalimtgis's mother's first husband was a high-ranking official of the Greek Communist organization, the KKE. According to Kalimtgis's own account, it was his mother, in 1977, who turned Kalimtgis to work against LaRouche.

Bardwell is a former nuclear-plasma physicist, turned computer programmer. He was worked over by the Soviets beginning a science-trip to the Soviet Union in 1978, and was worked over by Kalimtgis later. He was recruited to his present role beginning approximately 1980, when he struck up a secret love-affair, which he continued behind the back of his wife and two children over approximately four years, until breaking from his wife to marry that woman, his current

wife Gail. It was during the final phase of this secret love affair, during 1982-1983, that Bardwell's degeneration was accomplished.

He turned against the Labor Committees openly during January 1984. The specific issue was President Ronald Reagan's characterization of the Soviet shooting of Korean Airlines Flight 007 in September 1983. The fact that the Soviet pilot and his control-base had acknowledged the craft to be displaying civilian airliner lights prior to shooting the craft down in cold blood shortly after that, was the feature of President Reagan's and LaRouche's reports to which Bardwell objected, and that hysterically.

Bardwell left several of his secret organization's adherents in the Labor Committees until August of 1984, when the last of them was pulled out. He soon developed a significant income as a computer programmer and part-owner of a software firm. He built up a cult-following among a small circle, a cult based upon Teodoro Adorno's "Frankfurt School" dogma of the "authoritarian personality." Hannah Arendt's popularized account of Adorno's dogma is the text referenced by Bardwell.

This Bardwell-centered cult of hatred against LaRouche, is the chief source of the federal prosecution's key witnesses in both the Boston and Alexandria cases. Not only has the prosecution relied upon that stable of perjured witnesses as its key witnesses against the NCLC. The federal prosecution's indictments and direct examination of these witnesses, have been based upon the prosecution's adoption of the Adorno-Arendt "authoritarian personality" dogma.

Not all those invited to the Bardwell's 1986 Hallowe'en party are accomplices of Bardwell's little "Get LaRouche" cult. A significant number of the guests, some of whom walked out in disgust, had simply responded to the invitation to a party with old acquaintances. All those whom the federal prosecution has tapped as listed prospective witnesses in the Boston and Alexandria cases, are hard-core members of that left-wing cult.

The federal prosecution has not been deceived. By arrangement, Bardwell wrote a document for the federal prosecution, purporting to show that NCLC is a conspiracy by the standards of Hannah Arendt's version of the "authoritarian personality" dogma. That is the dogma which the prosecution adopted as the construct used to charge that the Labor Committees are a conspiracy in that sense.

The only fly in the prosecution's ointment on this count, is that the Bardwells made the tactical error of holding a 1986 Hallowe'en party to celebrate the October 6-7 Leesburg raid. Worse, a printed invitation was issued by Steve Bardwell. According to Bardwell co-conspirator Charles Tate, this invitation was composed by Bardwell personally, on the premises of a New York firm, Lewis Business Machines. The invitation "spills the beans"; as a result of the issuance of that invitation, the federal prosecution has reason to regret that its key witnesses lost control of themselves to the point of calling

EIR December 9, 1988 National 65

that party at all.

The 'authoritarian personality'

Briefly, the "authoritarian personality" dogma is the result of a project set into motion during the early 1920s, on the initiative of a Georg Lukacs, then a leading offical of the Communist International. Lukacs, a key figure of Soviet cultural subversion against the West, explained the project in the following terms of reference.

The Bolshevik revolution had failed in its effort to spread into post-1917 Western Europe. Lukacs attributed this failure to what he defined as the Judeo-Christian "cultural matrix"

of Western civilization. He argued, that to prepare the way for the "bolshevization" of the West, work must be done to undermine the Judeo-Christian "cultural matrix." The development of the "authoritarian personality" dogma by the so-called "Frankfurt School" (Frankfurt Institute for Social Research) and its Marcuse, Horkheimer, Habermas, and Adorno, was Lukacs' proposed project of subversion of the West.

At the close of World War II, the Allies were at some pains to cover up the truth about Adolf Hitler and Western bankers' roles, in ordering Hitler placed in power back in 1933, and continuing to support Hitler against the German anti-Nazi resistance through 1938. For this and other reasons,

The Alexandria trial: Some truth comes out

In week two of the trial of *U.S.A. v. LaRouche*, ongoing in federal court in Alexandria, Virginia, the government brought on about a dozen witnesses, four of whom were compelled to testify under grant of immunity, to try to prove their conspiracy case. Defense cross-examination succeeded in knocking some big holes in the prosecution's conspiracy theory, especially by discrediting the testimony of the government's star witnesses. Some progress was also made in establishing the defendants' clear intent to repay their loans and the financial warfare they faced in trying to do so.

LaRouche and six associates are charged with a loan fraud conspiracy, and LaRouche alone is charged with a one-man conspiracy to commit tax fraud. On trial with the former presidential candidate are Michael Billington, Paul Greenberg, Joyce Rubinstein, Dennis Small, Edward Spannaus, and William Wertz.

Here are some highlights of the week's proceedings: Nov. 28: Christian Curtis, a dropout from the National Caucus of Labor Committees (NCLC, the philosophical association founded by LaRouche), was exposed as having embellished his testimony against defendants, in order to avoid being indicted himself. Curtis regaled the jury with tales about how the defendants allegedly conned lenders out of money, with no intent to repay. Curtis, obviously hostile toward his former associates, even contradicted his previous interviews with the FBI, and his testimony in the Boston LaRouche trial. Whereas there Curtis had said that he believed fundraisers were acting in "good faith" when they took loans, he now claimed that they never had the intent to repay.

Curtis was also revealed to be acting under threat of indictment himself, when defense attorney William Moffitt brought out that it was he, and not defendant Dennis Small, who actually closed the deal on one of the loans in the indictment. While Curtis denied he had been threatened or pressured, he several times showed that he was primarily concerned with "what was going to happen to me," especially after the Oct. 6, 1986 federal raid against companies associated with LaRouche in Leesburg, Virginia.

In a blatant effort to emotionally sway the jury, the prosecution brought 80-year-old stroke victim Audrey Carter to the witness stand. She had suffered a stroke after the period in which she lent money to Caucus Distributors, Inc., the firm which distributed publications of the La-Rouche political movement. She was brought up from Florida by the government and wheeled to the stand, despite her ill health and great difficulty in speaking.

Nov. 29: Richard Welsh, a member of the NCLC who went on the stand as a compelled government witness, testified to extensive loan repayment plans by the defendants, and the partial success of those plans, until government harassment and other financial warfare made repayment impossible.

Welsh, who has headed accounting efforts for the company which manages various publishing corporations associated with LaRouche, and acted as assistant treasurer for LaRouche's 1984 presidential campaign committees, testified that in September 1986, he had launched an "Apollo project," to get on top of the loan situation. There were two objectives to this effort, he said: 1) to contact all lenders in person, and through a mailing, in an effort to get them to forgive or restructure their loans; and 2) to update the records of the corporations involved by sending out a statement of account, to be verified or challenged by the lender.

Over 3,000 lenders were scheduled to be contacted under this plan—a most unusual undertaking if the defen-

Adorno's myth of the "authoritarian personality" was used as the basis for the mythical argument, that Nazism was a product of German rationalist culture. Beginning 1945, the left-wing of the Anglo-American occupation forces joined with Moscow in equating Hitler to Adorno's myth of the "authoritarian personality."

This Allied occupation's brainwashing of the German population in this pro-Soviet myth, was used to create the German branch of the New Left during the second half of the 1950s, and to spread the same New Left into the United States during the early 1960s. This myth was used as the premise for promoting the radical counterculture in Europe and North

America. Herbert Marcuse's radical cult-text of the late 1960s, his *One-Dimensional Man*, is directly representative of the Lukacs-Adorno-Arendt cult of the "authoritarian personality," by a Marcuse who was an integral part of that project.

Thus, what the federal prosecutors have done borders upon outright treason. Not only have they acted as hod-carriers for the Soviet government, in conducting the legal frame-ups and related harassment against LaRouche et al. The exotic "conspiracy theory" which they have adopted for this prosecution, is the theory on which Soviet cultural warfare against the West has been based since the early 1920s.—

November 23, 1988.

dants were, as the government has accused, attempting to run out on their obligations to repay loans.

Before the project could be carried out, however, on Oct. 6, 1986 a host of government agencies, along with the Virginia state police, carried out a massive raid against the offices of the corporations. The raid resulted in the confiscation of every financial record which the government could find. This seizure greatly hampered the Apollo project effort, Welsh testified, although efforts to solve the loan problem continued.

Then, the federal government moved to put three corporations into involuntary bankruptcy, freezing their funds, and making it impossible to repay any lenders. Under an order from presiding Judge Albert V. Bryan, Welsh was not permitted to be questioned about the government's role in the bankruptcy.

Welsh rejected the government's theory that La-Rouche and others sought to cover up illegal activities, and to avoid income tax liability. He reported, for example, on his near seven-year history of efforts to implement several memoranda by LaRouche on improvement of accounting systems. The memoranda, he said, had two purposes: 1) to organize a chart of accounts according to the actual economic activity of the corporations; and 2) to create a clear audit trail so that embezzlement and fraud could be prevented. He testified that former NCLC member Costas Kalimtgis, and other employees of the computer firm Computron, had carried out such embezzlement, which led LaRouche to insist on such a reorganization in 1981.

Welsh's testimony also contradicted the impression which government witnesses had attempted to convey, that LaRouche runs every aspect of the NCLC. Even during the 1981 period, when LaRouche was taking an active role to straighten out the problems, Welsh testified, LaRouche was not involved in day-to-day operations, as far as he could tell.

Nov. 30: Welsh's continuing testimony established

that the corporations had made substantial progress in repaying loans and reducing the ratio of loans to income, before the October 1986 raid and involuntary bankruptcy.

Concerning the political and financial harassment against LaRouche's movement—an issue which the prosecution has fought hard to keep out of the trial completely—Welsh was able to point out that Henry Kissinger had sent a letter to then-FBI director William Webster, demanding an FBI investigation of LaRouche. That letter was entered into evidence.

In other testimony, compelled government witness Kathy Magraw, also an NCLC member, rejected the prosecution's hype about "LaRouche's lavish lifestyle," his "estate," and his alleged effort to avoid income tax payment. She reported on the actual purpose of Ibykus Farm, where LaRouche and his wife live when they are in Virginia. She testified that the farm was a "safehouse," used for a variety of guests as well as the LaRouches, and for meetings and cultural events.

Retired accountant Murray Altman testified briefly for the defense, saying that his recollection was that La-Rouche had no tax liability for the four years for which he had prepared tax returns.

Dec. 1: Attempts by prosecutor Kent Robinson to make it appear as though Lyndon and Helga LaRouche have lived a "lavish life-style," while LaRouche allegedly evaded taxes, fell flat, during examination of the head of physical security for the NCLC, Richard Magraw. Magraw described LaRouche's life as a "virtual captive" in the "safehouses" which have been set up for him and other guests of the NCLC. Speaking of LaRouche's life in New York City, Anderson asked how often Mr. LaRouche could go out and take a walk? Not one time, Magraw answered. How often could he go to a movie? Never. To a symphony? Never. To an opera? Never. To McDonald's? Never. In other words, Mr. LaRouche was a virtual captive in this house, Anderson asked. Yes, said Magraw.

EIR December 9, 1988 National 67