

Dirty trick against LaRouche is derailed

by Nancy Spannaus

The Trilateral Democrats centered in Atlanta, Georgia fired their first shot of the 1988 Democratic campaign, with the politically motivated issuance of indictments against 16 individuals and 5 corporations in Leesburg, Virginia, on Feb. 17. The political dirty trick was preplanned, with TV cameras available to film arrests, for a new media barrage against Democratic presidential candidate Lyndon H. LaRouche, Jr., who the Atlanta Democrats know is the "man to beat" in this period.

The next phase of the dirty trick was trumpeted all over the media by Virginia Attorney General Mary Sue Terry, who said she intended to get a Temporary Restraining Order which would "shut down" the five organizations for issuing unregistered securities. A hearing before the State Corporation Commission was set for Feb. 19, once more with all the media invited to cover the "closing down" of LaRouche's operations.

But the railroad, which the Virginia Democratic administration was running, went awry in the face of vigorous argument on First Amendment issues by the attorney for the five organizations. Presented with arguments as to how the corporations solicited funds for political causes, the Corporation Commission decided it could not conclude on the spot that promissory notes issued by the corporations were "securities."

Commission Chairman Elizabeth Lacy stated that the case involved "important and significant issues," which should be addressed in memoranda to be filed by both sides by Friday, Feb. 27, for the Commission's consideration.

Political sham

The alleged excuse for the indictments of the individuals and corporations by Virginia is the unregistered sale of securities. In reality, the alleged sales are loans taken by corporations for political purposes, and could not by any stretch of the imagination be counted as "securities."

William Weld, the number-four man in the Justice Department who started the legal witchhunt against LaRouche from Boston in October 1984, is coordinating the assault on LaRouche-connected organizations for "selling securities." It was a tactic he thought up when he could not find evidence (because there was none) of the "credit card fraud" charge which he had leveled.

Weld is using the "securities fraud" track to piggyback

his federal case. Thus, when the local Loudoun County authorities picked up the indicted individuals, they were in several cases accompanied by federal agents of the FBI, Secret Service, and IRS who offered to save them from being jailed for the local offense, if they would only "cooperate" with the Feds.

When this ploy failed, the alternative was intended to be the penalty of jail, and high bail. Commonwealth Attorney William Burch had timed the arrests for late afternoon, so that the individuals would have to be kept in jail over night. The next day, Burch argued for bail for each individual, mostly in the range of \$15,000 to \$25,000. This exorbitant bail, for individuals who had never been arrested before, was rejected by Judge Thomas Horne. All of the individuals arrested in Leesburg were released on their personal recognizance the next day, although bail was required to release the three individuals arrested in Baltimore.

The second prong of the attack targeted four corporations: Caucus Distributors Inc.; Campaigner Publications; Publications and General Management Co.; and EIR News Service. In addition, Fusion Energy Foundation, a non-profit foundation, was also attacked. These entities are involved in publications and distribution of publications which promote policies associated with LaRouche's political movement: *New Solidarity* newspaper; *EIR*; and *Fusion* magazine, in particular.

Although the media announced that Terry was planning to "shut down" the corporations, in reality the legal move she took was to enjoin the issuance of "securities" by them. Arguing on the basis of the state law defining securities, the Commonwealth's representative James Peck claimed that there was an urgent need to enjoin the corporations' gaining any more indebtedness.

But, as Attorney Patrick Moran argued, the reason that loans were given to these corporations in Virginia, as well as elsewhere around the country, was for political purposes. Thus, this activity, as well as issuances of promissory notes by political campaigns, should be protected by the First Amendment to the Constitution. The Commonwealth's case for urgent "shutdown" was especially hurt when Moran revealed that he had written a letter, offering full cooperation to the state in clarifying these very issues, in March 1986. The Commonwealth had never responded!

Warren Hamerman, chairman of the National Democratic Policy Committee, at a Richmond press conference after the Corporation Commission hearing, argued that Terry's action was a grotesque replication of the selective prosecution tactics of William Weld. He pointed out that many political organizations, including those aligned with President Reagan and Gov. Gerald Baliles, accept large loans from supporters and issue notes as evidence of indebtedness; he presented a copy of a gilt-edged note from the Republican Congressional Victory Fund, and campaign financial statements of Baliles as examples.