
New York 'LaRouche' Case

Prosecution's star witness is warned he risks contempt of court

Shortly before the end of the court day May 19, in New York Attorney General Robert Abrams's "Get LaRouche" case, the tenth prosecution witness to take the stand was warned by the court that he stands in danger of a contempt of court citation. Michael Hudson, a 50-year-old sometime economist with a checkered career, a long history of venomous litigation, and a conviction that he is the prosecution's star witness in this case, was told by presiding New York Supreme Court Justice Stephen G. Crane that he would be warned only once; and that one more outburst on his part in response to attorneys' questioning, would result in the citation for criminal contempt.

Hudson is testifying against defendant Marielle Kronberg, one of four LaRouche associates on trial on one count of conspiracy and one count of scheme to defraud, in connection with loans to various companies associated with LaRouche, which the companies were not able to repay. The other defendants are George Canning, Robert Primack, and Lynne Speed.

Hudson, who had lent money to the LaRouche-associated publishing company The New Benjamin Franklin House back in 1981, triggered the judge's warning when he flew off the handle during cross-examination by Kronberg's attorney, Mayer Morganroth. Hudson was being asked to identify 98 defense exhibits (representing roughly \$43,000 in loan repayments which Franklin House had made to him), when the following exchange occurred.

Morganroth: And can you identify this exhibit for the jury?

Hudson: Yes. This is a receipt for a payment I received from their armed security guards. . . . Franklin House's armed security guards.

Morganroth: Well, sir, is it not a receipt for payment?

Hudson: Yes. I think they were holding a gun on me at the time.

Morganroth: Let me get this straight, sir. They pulled a gun on you in order to get you to take the money?

The jury laughed incredulously, but Hudson had succeeded in exhausting Judge Crane's patience.

With the jury absent, defense attorney Jeffrey Hoffman (who represents Robert Primack) renewed an earlier motion for Hudson to be cited in contempt.

On May 18, Hoffman had made his initial motion for a

contempt citation after Hudson had refused to follow the court's instruction to answer cross-examination questions with yes, no, or the simple assertion that he could not answer yes or no.

Hoffman first became outraged at the witness during prosecutor Dawn Cardi's direct examination, when Cardi inquired of Hudson whether there had come a time when he had filed suit to recover the remainder of the debt owed him by Franklin House. Hudson said yes, he had filed a federal court suit, and when Cardi asked what had happened to the case, Hudson declared, "It was shifted into state court." Hoffman leapt to his feet in objection, pointing his finger at Hudson and yelling, "That's a lie and you know it! You know that's not true! You know that case was dismissed!"

Then, in Morganroth's cross-examination, Hudson gave the court and jury another glimpse of his character.

Morganroth: Does the name Marvin Naftal mean anything to you?

Hudson: Yes.

Morganroth: Do you remember telling Molly Kronberg and Nancy Spannaus that, if they didn't pay you the way you wanted, you'd have Marvin Naftal break their legs?

Hudson: Certainly not!

Morganroth: You don't remember telling these ladies that Naftal was a hood?

Hudson: No!

Morganroth: Or telling them he'd killed five people?

Hudson (emitting a sinister chuckle): Well, if I did, maybe I was just making a joke.

"Objection," Hoffman hissed from the defense table. "Pretty nice joke."

Hudson was scheduled to be back on the stand May 23 or 24 for more cross-examination—but a rather surprising development in the trial has kept Hudson, and indeed, any witness, off the stand until May 30.

TB tests for all parties

On May 23, the trial week got off to a strange start with the announcement by Judge Crane that one of the jurors had been hospitalized for an infection, and might remain in the hospital for one to two weeks.

After a phone conversation with the juror's doctor, Judge Crane returned to report, "It's even worse." Apparently,

doctors suspected that the juror also had untreated, active tuberculosis. The jury (which had been outside the courtroom throughout) was dismissed for the day, and on May 24 the ailing juror's TB test came back positive. The other jurors were called in that afternoon to inform them of the fact, and Judge Crane prepared to bring in officials of the New York Health and Hospitals Corporation to test all parties who wished it—jurors, court officers, prosecutors, the judge himself, defense attorneys, and defendants—for tuberculosis. Any who do not elect the public health testing will have to visit their private physicians. The trial is set to resume May 30, and everyone involved in the case will have to be re-tested in eight weeks.

In the midst of all this, Judge Crane has been heard to comment that this is the most challenging case he has ever had. Crane is no stranger to challenging and controversial cases; it was he who presided over the trial of Bernhard Goetz, the New Yorker who made international page-one headlines as the "subway vigilante," for shooting four teenagers he said were trying to mug him.

As of now, three weeks into a trial which is expected to run three months, three jurors have been excused. Only one alternate juror remains—a remarkably rapid erosion of a jury.

Hudson feels 'out of his element'?

For all these reasons, then, Michael Hudson has not yet made it back to the witness stand—although, during the course of the TB colloquies, he continually ran into the courtroom to see the goings-on, and continually had to be told to leave.

Meanwhile, on May 23 prosecutor Cardi requested that the court appoint an attorney for Hudson, to advise him of the significance of his warning on the contempt citation, and of the possible consequences (\$250 fine and/or 30 days in jail). Judge Crane declined to do so, asking instead that Cardi inquire whether Hudson couldn't afford his own attorney, and pointing out that, before he actually cites Hudson for contempt, he will allow him to retain an attorney.

After conferring with Hudson, Cardi reported to the court that Hudson "feels out of his element here," but that now that he understands the situation, he will follow the judge's instructions, and that therefore he needs no attorney.

It is unclear whether the court believes Hudson's explanation of his behavior, inasmuch as Judge Crane had noted previously more than once that Hudson has a PhD, and can therefore be supposed to be capable of following simple instructions on how to answer attorneys' questions.

Some of the other witnesses the prosecution has called recently have had their own problems, although none of them as exotic as Hudson's. For example, on May 17 Anthony Kozak testified that he had lent the defendants \$1,500 back in March 1985—and said it hadn't been repaid. But then, on cross-examination, he conceded that he had no check or other

document to prove the transaction—only a promissory note, from May 1985. He also admitted that he had gotten the note (two months after the supposed loan) by the simple expedient of calling defendant Robert Primack and dictating to him the terms of the note, including amount, term, and interest rate. He wrote it up right then and there and mailed it out to me, Kozak testified.

"Did you show Primack anything to document the loan?" Primack's attorney, Hoffman, asked.

"No," said Kozak.

"He just trusted you, that if you said his organization owed you the money, that was true?"

"Yes," said Kozak.

Did Kozak ever make a loan? By agreement with the prosecution, he is subject to recall by the defense, pending examination of new evidence which, the defense believes, will tend to show he never did.

Visions of mistrial

The prosecution has had to deal with some other unsatisfactory witnesses whom they called to make the government case—among them Kathleen Shanahan, who testified May 19 that she had no memory of who had solicited a loan from her in 1985, nor any memory of the conversations that led up to the transaction. Although prosecutor Cardi drew from Shanahan descriptions of a conversation she said she had had with defendant Primack, in answer to Cardi's further questioning, she said that conversation had taken place *after* the loan was made, and that Primack had not solicited a loan from her.

In developments outside the presence of the jury, on May 15 assistant prosecutor Rebecca Mullane startled a number of observers by accusing the defense of trying to provoke a mistrial through press coverage. She cited, first, an advertisement appearing in the *New York Times* the week before, signed by more than 100 Latin American congressmen who called for the freeing of Lyndon LaRouche, who is currently imprisoned as a result of a federal frame-up against him in Alexandria, Virginia last fall. Second, Mullane cited a two-page spread that appeared May 14 in the Sunday *New York Post* under the title "Lyndon's New Pitch." The article reviewed the international campaign by LaRouche and his wife, Helga Zepp-LaRouche, and the Schiller Institute which they co-founded, to lower the musical pitch orchestras and singers use in performing classical music.

Apparently haunted by visions of the mistrial in the Boston federal case against LaRouche et al., which mistried after six months of the prosecution case (at which point all the jurors said they would have acquitted all the defendants), Mullane charged that the New York defense team is trying to use the press to "taint" the jury and hence cause a mistrial. She did not explain how the defense team had been able to persuade the *New York Post* editorial board to help in this effort.