

opinion but mine, is that I don't believe that Mr. Reagan is going to take the bull by the horns on any of these matters. I think he is working through his staff and keeping himself above any fights. He is trying to get the basic budget and the tax cuts through. Otherwise, I don't see how this man, who came to the American public and said that he would get government off our backs, would be allowing the government to take 25¢ out of every dollar in interest costs.

EIR: There have been several resolutions and bills in both the Senate and House saying that high interest rates are the prime cause of inflation and demanding that the Federal Reserve be made accountable to the Congress as mandated by its enabling legislation. Specifically, these measures were introduced in the House by Byron Dorgan (D-N.D.) and by Ron Mottl (D-Ohio), and recently in the Senate by Jim Sasser (D-Tenn.). Do you think these moves are in the right direction?

Kelly: I am particularly impressed by the idea that this [Federal Reserve] chairman could be removed. Volcker gives no credence that anybody has any brains but himself. . . .

Imagine appointing a man 77 years old, who is a complete autocrat like Volcker, to be ambassador to West Germany. All the Common Market countries are complaining about interest rates, and they appoint Arthur Burns ambassador. I truly get excited about this. . . .

EIR: When did your letter go out?

Kelly: On May 13-14 our letter went out to approximately 4,000 auto dealers. It will come before the Georgia Auto Dealers Association, whose convention starts this weekend. I am the immediate past president of [this association]. It will be brought up before the whole convention. We ran it by Chrysler, and there was full agreement on trying to do anything on interest rates that we could.

EIR: What kind of response have you had to the letter?

Kelly: I have heard that other dealers are going to their state associations as quickly as they can. I had a call from a dealer in Pennsylvania, and I also had a call from a dealer in Oklahoma, who told me that they were going to their state association with the letter.

EIR: That means that it will be taken before General Motors and Ford dealers, and everybody else?

Kelly: Right. This is a classic example. Why do we have to have these interest rates? They are so unnecessary.

Somewhere along the line the auto dealer is going to stand up. In Georgia, they said to me, "Walter, I think this is great, I am going to expose my entire association to it." There are 580 dealers in Georgia, and 200 of them will be at the convention's first business meeting.

Reagangate

Administration to lose its labor allies through IBT purge?

by Scott Thompson

On May 22, ten days before the convention at which Roy Williams is to be elected Teamster international president, the Justice Department rammed through an indictment of Williams based on flimsy evidence from its long-dead Pendorf ("Pension Fund-Dorfman") investigation. From the moment it became apparent that Williams would replace Teamster president Frank Fitzsimmons, he has become a target for witch-hunters in the press and Justice Department who fear he will revitalize the powerful Teamsters union, mobilizing its rank and file in the same aggressive manner as Jimmy Hoffa's in the 1960s.

The Williams indictment

The Williams indictment is not only intended to undermine this progress-oriented union, but also to cut ties between the White House and the Teamsters, the only major union that endorsed Ronald Reagan's presidency. The same people going after Williams have also launched "Reagangate," a media campaign to taint the President, members of his family, and cabinet officials with slanderous allegations of links to "organized crime."

Among the chief targets in "Reagangate" are Attorney General William French Smith, Secretary of Labor Raymond Donovan, Reagan's close adviser and friend Sen. Paul Laxalt (R-Nev.), and the President's elder son, Michael. Dropped shortly before the attempted assassination of Reagan, this campaign is now back in the news.

Orchestrating both Reagangate and the campaign to "get" Williams is the combination of corrupt holdovers from the Kennedy Justice Department and the liberal press—the shocktroops of the Socialist International in the United States—who are also running Abscam-Brilab to subvert constituency-based government. High-level

sources in Washington report that while the operation against Williams is being run by Mike DeFeo, the head of all Strike Forces west of the Mississippi, it is Walter Sheridan, former head of the infamous "Get Hoffa Squad," who is in overall charge of Reagangate and of new efforts to bust the Teamsters union. Sheridan, who ran a vendetta against Hoffa, bringing 30 indictments before gaining a single conviction, is now chief investigator for Sen. Edward Kennedy on the staff of the Senate Labor Committee.

The evidence?

The indictment of Williams is a political hoax. First, the evidence for Williams's bribery conspiracy indictment is precisely the same evidence that led a federal grand jury in Chicago last fall—despite heavy pressure from the Carter Justice Department—to refuse to indict Sen. Howard Cannon (D-Nev.). This evidence, in the form of wiretap transcripts, shows Roy Williams discussing a real-estate deal Cannon was interested in with Chicago insurance company executive Allen Dorfman. Despite Justice's allegations, there is not a shred of evidence to show this business deal was a bribe to Cannon for his vote against trucking deregulation.

Cannon had long been one of the most outspoken critics of deregulation, which he correctly believed would destroy the U.S. transportation system if enacted. In fact, the only change in Cannon's vote took place after the Justice Department virtually blackmailed him to drop his opposition to deregulation by selective leaks to the press from the wiretaps.

Second, to obtain the Williams indictment, the Justice Department virtually flooded the press—including NBC-TV, the *Chicago Tribune*, *Wall Street Journal*, *Washington Post*, and *New York Times*—with leaked confidential reports. The press in turn whipped up smears against the Teamster leader. Typical was the *Los Angeles Times*, which charged Williams with being "an organized crime mole" in labor's ranks.

Among the documents leaked was a confidential report entitled "Organized Crime and the Labor Movement," drafted by the former Chicago and Cleveland Strike Force attorneys, respectively, Peter Vaira and Douglas Roller. Vaira later ranked high on the list of suspected Abscam "leakees," while it was Roller who announced the indictment of Williams May 23 from his new post in Chicago. The Vaira-Roller report represents little more than a target list of traditional trade-union leaders.

Sheridan et al. not only draw upon a network of co-conspirators in the National Security Agency, FBI, and press; at the gutter level, the entire gamut of the radical left is being mobilized through Sheridan-linked elements at the Institute for Policy Studies. Among the recipients of the Vaira-Roller document is reported to

be the Socialist International-linked Teamsters for a Democratic Union, whose spokesman, Ken Paff, has admitted working with the Justice Department to "get" Williams. The TDU reprinted Justice Department documents on Williams in a 16-page memo it issued May 7 titled "Roy Williams' Bid for the Marble Palace: The View from the Rank & File," circulated broadly to the press.

Reagangate

In the weeks preceding Williams's indictment, key administration officials, friends, and family of President Reagan were hit from every direction to pressure them into sacrificing their labor constituency base.

Senator Laxalt and Attorney General William French Smith were smeared on WJRC radio in Washington, D.C. two weeks ago by Institute for Policy Studies fellow Dan Moldea, who accused both of ties to the "mob." Moldea and his friends at IPS also organized a May 28 forum on Reagan, Williams, and organized crime held at the Institute's Washington headquarters. Moldea is the author of *The Hoffa Wars*, a scurrilous attack upon the Teamster leadership, with the assistance of Sheridan and other Justice Department-linked sources.

One of the ugliest "Reagangate" operations has been an attempt to undermine the President by hounding his son. Last February the *Los Angeles Times* was "leaked" allegations from federal and local law enforcement sources that Michael Reagan was using his father's name to promote a gasohol development project.

After that charge was dropped for lack of evidence, a similar charge was made two weeks ago by *The Daily Oklahoman*, which obtained letters written by Michael Reagan in his capacity as vice-president for sales of the Dana Ingalls Profile Company to bid on government contracts. In one letter to the Tinker Air Force Base in Oklahoma City, Michael Reagan wrote, "I know that with my father's leadership at the White House this country's armed services are going to be rebuilt and strengthened. We at Dana Ingalls Profile want to be involved in that process."

The story was immediately picked up by the *Washington Post* and *New York Times*, which alleged "influence peddling" based upon Michael's substitution of "my father" for "President Reagan" in an otherwise standard patriotic statement. As the *Post* and *Times* are no doubt aware, the armed forces do not award contracts without checking an individual's background sufficiently to discover whether he is the son of the President.

J. Jackson Walter, head of the Office of Government Ethics in Washington, compared Michael's "dubious behavior" to that of Billy Carter, implying that negotiating a contract with the U.S. Air Force is morally

equivalent to cutting a backroom deal with Libyan terrorist Qaddafi on trips arranged by the Sicilian Mafia.

Secretary of Labor Donovan has also been a repeated target of Sheridan's henchmen in the Justice Department, the press, and "moles" in the Senate.

Catch-22

The point of these attacks is to create a Catch-22 situation for Labor Secretary Donovan that forces him to choose between his constitutionally mandated job of fostering U.S. labor, or risk slanderous attacks upon himself and former associates. Sheridan went after Donovan from the moment he was nominated.

According to one source close to Kennedy's Senate Labor Committee investigator, Sheridan "was the one who was responsible for holding up Donovan's confirmation . . . more or less singlehandedly. Sheridan was the one who's got the contacts in the FBI, he's the one who managed to talk to his buddies and find out that Schiavone [Donovan's New Jersey construction company] made payoffs in the first place."

The proof Sheridan offered at Donovan's confirmation hearings was the unsubstantiated word of such witnesses as Ralph "Little Ralphie" Picardo, whose trial on murder charges has been held up pending his testimony on Donovan and others. The FBI was ultimately forced to admit that it could not corroborate the testimony of Picardo, whom another defense witness called a "whacko" and "a pathological liar" in an earlier case, and that Picardo was unable to give even rudimentary verifiable details to back up his charges.

Since then the Senate Labor Committee has issued broad-ranging subpoenas of Labor Department records on health and pension funds of the Teamsters union, Laborers' union, Longshoremens, and Hotel and Restaurant Workers Union—each a favorite target of the Socialist International's "moles" in the Justice Department. Although Congressional committees have held at least three hearings on Labor Department oversight of the Teamster funds in the past two years, amidst great fanfare the Senate Labor Committee is now going over the same ground.

The motive for this new probe was spelled out by another long-time associate of Sheridan: "Donovan's cooperation or lack of cooperation will give a good barometer as to his general outlook. . . . If Donovan does not toe the line, there are other things that can come out.

"A witness gets a little antsy or cannot be corroborated. So, you put it back up on the back shelf and wait until things go round. In the whole Hoffa prosecution, there were all kinds of things like that."

Despite apparent capitulation by the Reagan administration on the Williams indictment, Donovan has so

far refused to "toe the line" and cooperate with the witch-hunters against labor. As a result, on the same day Williams was indicted, Brooklyn Strike Force attorney Thomas Puccio, a close associate of the Kennedy mafia and the Socialist International, announced the indictment of Teamster Local 282 business agent Harry Gross. It was Gross's friend whom Sheridan alleged had a "no show" job at Donovan's construction company as a "payoff" for "labor peace," despite the fact that the firm's contract with the IBT spelled out in black and white that a working foreman (like Gross's friend) had to be employed for each shift whether or not there was work.

As one source close to Sheridan explained, the Gross indictment "could start things up a little bit. . . . There are still press people digging around." Among them are Jack Newfield of the *Village Voice*, who worked with Puccio in earlier Kennedy campaigns, and the *Bergen County Record*, an habitual outlet for Sheridan-planted "leaks."

Another flank has been opened against both Donovan and Williams by the Senate Permanent Investigations Subcommittee, which worked its staff overtime to complete a report before the Teamster convention charging Williams with "organized crime" ties. This 40-page smear was, in fact, only part of a report on Labor Department handling of the Central States Pension Fund that has yet to be completed. Marty Steinberg, a former Buffalo Strike Force attorney who is now minority chief counsel at SPIS, immediately dispatched a copy of the report to Donovan's office with a cover letter from his boss, Sen. Sam Nunn (D-Ga.), demanding that the labor secretary hold administrative hearings on whether Williams could exercise proper fiduciary responsibility over the fund.

Nunn's office further demanded that if Williams refused to testify fully before the hearing, a federal court should be used to oust him from his post as Teamster president. What neither Steinberg nor other SPIS members told the press is that under law, the Department of Labor has no legal right to carry out such "star chamber" proceedings. Donovan is to be pilloried for noncompliance with an impossible request!

If Attorney General William French Smith, Secretary of Labor Donovan, and other administration officials are foolish enough to permit this war against the traditional labor movement, they will not only have destroyed the Reagan administration's constituency base, but they will also have opened the way for their own destruction at the hands of the same inquisitors. When trade unions like the Teamsters, who have repeatedly shown their commitment to progress and national security, are destroyed, labor will be represented by those affiliates of the Socialist International who have sworn to "Hooverize" Reagan.