

What should be done? Do you think it may be that Paul Volcker and the Federal Reserve are as much out of control as the Justice Department?

Sen. Williams: Not in the same way that the Justice Department is, but certainly the [Federal Reserve] is not responsive to the needs, the felt needs and the real needs of our economy and the people of this country. It would be my hope that the Federal Reserve, where they work in isolation, will begin to register the economic needs of this country. They are registering old economics. They are trying to deal with inflation in a single way, and it hasn't helped inflation at all by raising those rates as high as they are. In some ways, it has inflamed the inflationary process.

Gallagher: What do you think about a two-tiered credit system, with low interest credit for productive investment, and a higher rate of interest for purely speculative activities?

Sen. Williams: This hasn't really entered into congressional thought or executive thought, and it must. In my judgment, it is worthy of a great deal of attention, because there is a logic there. When we haven't been able to brake inflation with high interest rates, high interest rates are the enemy of economic recovery and progress; when there is an inability of certain sectors to get credit, and afford credit, something has to be done.

Gallagher: Could you describe a bit more the amicus brief submitted by Dean Erwin Nathaniel Griswold of Harvard Law School?

See. Williams: In my judgment, in the most broad and general way, and I've said this to members [of the Senate] whom I've talked to about it, it brings clarity to a very murky area—a murky area that has produced some dangerous, unhappy, unfortunate unconstitutional results, this whole area of creating, through the police, a system of fabrication of criminal kinds of activity, and then secretly taping it all. The law at this point is somewhat murky, evidently, because they did it, even though we are a country under law.

Gallagher: Senator, many people are concerned about the drug and crime epidemic in the U.S. What do you think about stopping drugs to reduce crime, and do you think the Justice Department should be doing more here?

Sen. Williams: I certainly do. They get a lot of publicity when they go into the street and get those at the street level of drug trafficking. It has always amazed me that those who are doing the most damage, and making the most money, those major people at the top of the pinnacle who are the importers and the basic distributors of drugs, they seem to be getting away scot-free. The enforcement of our drug laws is incomplete until we get the big ones, the creators of the monster.

Thomas Puccio and his sponsors

by Jeffrey Steinberg,
Counterintelligence Editor

On Sept. 11, The *New York Times* published a short, inconspicuous report that Thomas Puccio, the head of the Brooklyn, New York Organized Crime Strike Force (OCSF) and the Justice Department's most prominent Abscam witch-hunter, had been recommended by the DOJ for appointment to the post of U.S. Attorney for the District of Columbia.

Puccio's track record during and prior to his Abscam actions represents one of the most glaring cases of political corruption in the recent tarnished history of the Department of Justice, as will be demonstrated if his record is examined in depth by the members of the Senate Judiciary Committee who will be hearing his confirmation.

Numerous sources in and around Washington, D.C. have confirmed my own estimate that Puccio's first major target, should he pass the Senate confirmation, will be *the traditionalist network within the Central Intelligence Agency and related military intelligence services*. In this effort, Puccio would find himself working with his longstanding collaborators in the liberal press, particularly the *New York Times* and *Washington Post*.

Court evidence that surfaced in the course of the Brooklyn Abscam trials of Rep. John Murphy (D-N.Y.), Rep. Raymond Lederer (D-Pa.), and Mayor Angelo Errichetti of Camden, New Jersey documented that Thomas Puccio, the DOJ prosecutor, was a close political and personal associate of Jack Newfield, the senior political writer for the *Village Voice* and one of the most virulent anti-Reagan pens in the employ of the Socialist International. How, one must ask, is it possible that such a Socialist International-connected figure with such a "machine buster" profile was given the powerful post of U.S. attorney for the nation's capital?

The answer to that question has been the topic of much recent concern around the corridors of the Reagan administration: the Wall Street-Trilateral Commission networks which have been Ronald Reagan's self-avowed enemies since his first presidential bid have taken over the reins of power within the Department of Justice. Herbert Schmultz and Rudolph Giuliani, both veterans

of the Edward Levi-John Lindsay Wall Street Republican machine—the machine that brought you the New York City Waterfront Commission and the police-busting Knapp Commission—are running the DOJ. It was through the personal sponsorship of Schmultz and Giuliani that Puccio was ushered into Washington. That sponsorship dates back to no later than the Knapp Commission, when Puccio, fresh out of Fordham University Law School, was brought onto the Knapp investigative staff and given his first lessons in the art of machine-busting and frameups, lessons now intended to be applied against the CIA.

The centerpiece of the attack on the agency “old boys” is the media onslaught that has been directed for the past six months against former CIA Clandestine Services operatives Edmond Wilson and Frank Terpil. Wilson in particular has been accused by the *Times* and the *Post* of being at the center of a far-reaching network of retired spooks who are using their past experiences and contacts to foster terrorism and assorted criminal actions against the interests of the United States. The coordinated *Times-Post* attack is directed at creating the climate for a far-flung “fishing expedition”—to be coordinated through the Washington, D.C. U.S. attorney’s office. The desired result of such a campaign is the final destruction of an independent U.S. intelligence capability, the jailing, bankrupting and defaming of some of America’s most important “silent heroes” in the postwar intelligence wars, and the building of a climate for the imposition of a British-style Official Secrets Act placing paralyzing restrictions on both the activities of the intelligence community and the oversight of those actions.

While the full story behind the Terpil-Wilson affair has yet to come out publicly, it has been confirmed that the allegations against the pair constituted the principal wedge used by former CIA Director Stansfield Turner, an asset of the Trilateral Commission, to thoroughly wreck the agency through the biggest purge and internal witch-hunt since the Moscow Trials, a purge that saw nearly 1,000 agents with upwards of 30,000 years of cumulative field experience drummed out of the Company.

To the extent that President Reagan responds in the coming weeks to the mounting popular and international mandate for a head-on confrontation with Paul Volcker and the Federal Reserve Board, the President will find that the still-dormant Reagagate attack, which was first publicly floated at the December 1980 Socialist International conference in Washington, will be surfaced overnight. At the point that such an outfront war between the President and the Wall Street liberal establishment breaks out, it will be essential that the President can rely on his Justice Department to uphold the Constitution. If Thomas Puccio is occupying the U.S. attorney chair in Washington, that will be impossible.

The philosophical problems with ‘strict construction’

by Edward Spannaus, Law Editor

The following statement was presented to the Senate Judiciary Committee hearings concerning the nomination of Sandra Day O'Connor for Supreme Court Justice. The statement was made by EIR Law Editor Edward Spannaus on behalf of the National Democratic Policy Committee.

In our Aug. 4 memorandum to the committee and staff, we brought your attention to the fact that there are at present a number of individuals and organizations who are proposing that our Constitution is too outmoded to cope with today’s crises, and that it should be revised or rewritten along parliamentary lines. We noted in particular statements by Lloyd Cutler, James McGregor Burns, and Rep. Henry Reuss. We stated that:

Under these circumstances, the Senate has a special responsibility as it approaches the O'Connor confirmation hearings. Justices of the Supreme Court were called the “guardians of the Constitution” by Alexander Hamilton, and it is incumbent upon the Senate to ensure that any nominee for that position possesses the qualifications of such a “guardian.” We therefore propose that the U.S. Senate use the opportunity of the O'Connor nomination to develop appropriate standards for Supreme Court Justices today.

From Judge O'Connor’s testimony in her two days of questioning by the Committee, there is little doubt that she is qualified by *today’s standards*. Despite initial doubts that we and many others entertained, she has shown herself to have an adequate grasp of current