

National News

Federal court acquits Abscam target Kelly

Calling the Justice Department's Abscam entrapment "outrageous," Washington Federal District Court Judge William Bryant overturned the Abscam conviction of former Republican Rep. Richard Kelly of Florida on May 14.

In a 25-page opinion, Bryant called the operations used to entrap Kelly by convicted felon Mel Weinberg and his associates in the Federal Bureau of Investigation "a loose cannon rolling around the deck of the criminal justice system." The judge stated that "Law enforcement exceeds its bounds when it manufactures crime and creates criminals."

The government's actions, Bryant wrote, "so deviate from real-world constraints that it [creates] a crime which would never have reached fruition but for the government's involvement. . . . Government agents, hard about the business of corrupting public officials who are free of suspicion, essentially subvert our government."

Two businessmen indicted and convicted with Kelly, Stanley Weisz of New York and Eugene Ciusio of Florida, were granted new trials at the same time.

NDPC chapter head becomes issues adviser

Karen Nafziger, head of the central Virginia chapter of the National Democratic Policy Committee, was named as an issues adviser to Democratic congressional nominee James Olin, following a run-off vote at the sixth district Democratic convention May 15 in which Nafziger placed third.

Both Olin and a third candidate for the nomination, Roanoke Mayor Wick Anderson, had consistently denounced

high interest rates in their campaigns, but claimed the President was the chief culprit. Nafziger, who had campaigned on the four-point program to reverse the depression designed by NDPC Advisory Committee Chairman Lyndon LaRouche, located the issue of dropping interest rates—and Federal Reserve Chairman Paul Volcker—as the first step in issuing long-term, low-interest credit to rebuild the American economy.

The contribution of the NDPC program will be particularly effective in Olin's campaign, since his likely Republican opponent is state delegate Ray Garland, an advocate of free-market monetarist economics.

At Senate District conventions in the state of Texas May 15, four NDPC members were elected as delegates to the state party nominating convention Sept. 10 and 11. Five NDPC alternates were also elected.

Carpenters may picket Manatt law office

The Los Angeles district office of the Carpenters Union officially warned Democratic Party chairman Charles Manatt the week of May 10 to stop using non-union labor at the construction site for his new law office in Los Angeles. Paul Miller, Secretary-Treasurer of the District Council, made the official complaint to the subcontractor at the site, Sam Gilbert, after he found out the non-union laborers had built the initial fence and canopy around the new building.

Manatt's law firm employs former U.S. Senator John Tunney and Mickey Kantor, chairman of California Governor Jerry Brown's Senatorial campaign.

Carpenters leader Miller says he wants the law firm, which is minority owner of the construction site, to "hire all-union people and all-union subcontractors."

Gilbert responded that he reserved

the right to hire any subcontractors he chose—union or non-union. One leader of the International Brotherhood of Electrical Workers commented, "If this is not corrected, we may have to rescind our endorsement of Brown."

The politically sensitive scandal erupted after another carpenters union in Santa Monica started picketing the future home construction site of Tom Hayden and Jane Fonda, also for using non-union labor.

Schiavone investigates congressional leaks

Schiavone Construction Company, the former employer of Labor Secretary Ray Donovan, has hired private investigators to probe the sources of stories leaked to the media which attempt to link Donovan and other Schiavone executives to organized crime elements.

It is believed that among the individuals being investigated are Sen. Edward Kennedy (D-Mass.), the Senate Labor Committee's ranking Democrat; Frank Silbey, a top staff member for Labor Committee Chairman Orrin Hatch (R-Utah); and Walter Sheridan, Minority Chief Investigator for the Committee, who played a major role in the Robert Kennedy Justice Department's war on Teamster Union leader Jimmy Hoffa (see Congressional Closeup).

A special prosecutor was appointed to investigate Donovan in December 1981 after charges were made that Donovan was present at the delivery of a bribe to a union official several years ago. Recent press leaks have maintained that Donovan and other Schiavone executives have multiple ties to organized-crime interests. Donovan's accusers are all convicted felons under the control of the Organized Crime Strike Force for the Eastern District in New York, the base of operations of former federal prosecutor Thomas Puccio, accused of evidence-

tampering and entrapment tactics in the conviction of Sen. Harrison Williams of New Jersey.

Schiavone attorney Theodore Geiser stated that detectives would be looking into "interesting connections" between members of Congress and convicted criminals making allegations in the affair. Donovan has consistently maintained his innocence, and voluntarily testified before a federal grand jury in mid-May.

British: Reorganize American Joint Chiefs

Articles in the April and May issues of the *Armed Forces Journal* advocate reorganizing the American Joint Chiefs of Staff along the lines of a top-secret centralizing of the British Defense Staff in February. The British proposals are similar to those of outgoing Joint Chiefs Chairman David Jones.

British parliamentarian Neville Trotter argues in one article that similar problems of the British and American military would require the staff changes. The British reorganization strengthens the role of the Chief of Defense Staff as principal military adviser to the government, and gives him and his staff a voice in senior promotions in all of the armed services. Trotter acknowledged that "unlike Britain, such a change in organization amounts to a change in the U.S. Constitution and requires legislative approval." In Britain, the reorganization was kept under tight security wraps until it was a fait accompli. The American political system does not permit such secretive procedures.

President Reagan's security team should note that Trotter cites Caius Petronius of the Roman Army who in A.D. 66 said, "We tend to meet any new situations by reorganizing, and a wonderful method it can be for creating the illusion of progress." The reorganization of the

Roman Army in A.D. 66 followed the assassination of Nero by the Isis cult member of the Roman General Staff for "fiddling" instead of allowing the Praetorians to fight wars in the Near East.

Maritime industry targeted by reforms

The Reagan administration has composed a series of reforms which would finish off the shipbuilding industry and cripple the maritime sector further. Drawn up by the Wharton School-influenced Secretary of Transportation Drew Lewis and the Mont Pelerin Society-controlled OMB, the administration package includes the following initiatives:

1) Eliminate all subsidies for construction of merchant ships in U.S. shipyards, while simultaneously eliminating the tariff on constructing U.S. flag ships abroad. Under this plan, Lewis euphemistically admits, "it is expected that some of the 26 [U.S. ship] yards will not be able to remain in business."

2) Phase out operating subsidies which pay ship operators the difference between hiring U.S. or foreign crews.

3) Eliminate rate regulation on domestic shipping. This will cause cutthroat competition and bankruptcies, on the model of the airline and trucking industries under deregulation.

4) Allow foreign interests to buy up to 75 percent of U.S. shipping lines. Currently the limit is 49 percent. This will allow a complete takeover of the U.S. merchant marine by London-centered financial interests.

The administration attempts to deal with the national security threat posed by the loss of a merchant marine by specifying that a fleet of 40 "defense relevant multi-purpose carriers" will be built by the Navy, and leased to private owners, to be made available for mobilization as a sealift capability in a national emergency.

Briefly

● **'LIVING WILL'** legislation passed the Massachusetts House of Representatives May 17 by a vote of 71 to 68. Then, as part of a regular parliamentary procedure it was brought up for reconsideration May 18, and defeated by 79 to 71. The bill, H.B.4356, was backed by three prominent members of the Black Caucus, Sandra Graham, Mel King, and Doris Bunte. Its sponsor was Rep. Richard Voke.

● **LEWIS TAMBS**, history professor at Arizona State University, was named as adviser to the National Security Council on Latin American Affairs the week of May 10. Tambs has been known to favor a more pro-development policy toward Latin America, especially Mexico, than the State Department has adopted in recent years.

● **THE NATIONAL** Association of Homebuilders projects 50,100 housing starts for the city of Houston in 1982—versus only 54,900 for 15 major cities in the Northeastern United States.

● **GORDON WALGREN**, former Washington State Senate majority leader, lobbyist Patrick Gallagher, and former House Speaker Joseph Bagnariol are to report to the federal prison at Terminal Island, California for 24 to 36 month terms—despite the fact that Walgren never accepted any of the bribes offered to him by the FBI under "Gamscam" and none of the three attempted to enact legislation proposed to favor phony FBI "businessmen." The U.S. Supreme Court refused to review their convictions.

● **SEVEN REPUBLICAN** senators circulated a letter May 14 announcing they will introduce a budget amendment that would forbid cuts in Social Security benefits. The seven are Durenberger of Wisconsin, Chafee of Rhode Island, Roth of Delaware, Stafford of Vermont, Lugar of Indiana, Hawkins of Florida, and Weicker of Connecticut.