

Rohatyn Leads Attack On Urban Political Machines

On Aug. 31, Secretary of Labor Ray Marshall announced that the Labor Department had set up a "special review staff" to investigate alleged violations of department laws and regulations. This new unit is patterned after the one investigating Teamster Pension Fund "abuses," an investigation which is an attempt by the Justice Department to break that union.

With its new unit, the Labor Department will be investigating "abuses" by major city governments in their use of federal CETA funds in a direct attempt to break the cities of any resistance to the Administration's "urban policy" — the policy of bankers' dictatorship and Schachtian slave labor pioneered by Felix Rohatyn.

Investigations have begun in Chicago, Atlanta, Gary — and of course New York City.

The new Labor Department gestapo is the latest feature of a campaign by the Rohatyn Nazis to end right now the power of the urban political machines — structures which have traditionally kept the nation's big cities Democratic, but which now stand in the way of the level of austerity demanded by Carter-Mondale, Rohatyn and their Lazard Freres and Rockefeller backers.

Rohatyn personally announced the beginning of this assault two weeks ago in a *New York Times* op-ed entitled, "Indeed, the 'Moral Equivalent of War.'" "Our cities... will not 'go gentle into that good night,'" Rohatyn enthused. "Let us try to create an economic and social chain reaction."

Just days after Rohatyn's declaration of war, the revamped Securities Exchange Commission (SEC) released a massive report documenting alleged improprieties in the "disclosure" of the "true facts" concerning New York City's financial viability. The report specifically charges Mayor Abraham Beame with improprieties, saying he failed to inform both the public and prospective investors in city securities of the city's dire financial condition prior to the fiscal crisis of spring 1975. The timing of the report's release and the ensuing media coverage show, however, that its real purpose has nothing to do with "improprieties." The report appeared just two weeks before the Democratic mayoral primary. Immediately, every media outlet in the city declared Mayor Beame a liar and crook, a "corrupt political boss" unfit for re-election.

As Rohatyn's op-ed makes clear, the lower Manhattan investment house crowd cannot tolerate another Beame administration. Although he has dutifully imposed the banks' dictates of massive austerity and cutbacks in New York over the past two years, Beame has refused to relinquish elected city government to the absolute control of Rohatyn's Municipal Assistance Corporation (MAC) or the Emergency Financial Control Board (EFCB). He has drawn the line on further cutbacks of city services, and at one point even demanded that maintenance of vital services take priority over debt service payments. What Rohatyn is pressing for is a beefed-up EFCB to totally run the city, with the new mayor being a mere figurehead who will quietly acquiesce to Rohatyn's plans.

Those plans call for further cutting of the standard of living of New York's population, the relocation of ghetto and unemployed layers to "industrial parks" and energy projects at below minimum wage levels. Key to this goal is the complete cooperation — or obliteration — of the trade unions. While such outright labor agents as Victor Gotbaum and Jack Bigel conspire toward this end in the Bankers-Labor Working Group, most of the unions' leadership and rank-and-file have endorsed Beame, who is the only Democratic candidate with significant labor support. A Beame victory, then, would severely hamper Rohatyn's plans.

As of this writing, Abe Beame is fighting back, albeit defensively. Correctly terming the SEC report on New York City a "hatchet job", he charged the banks with being the real culprits in New York's crisis when they dumped city securities and abruptly shut the city out of the bond markets. He has scandalized his "clean" *New York Times*-endorsed opponent, Mario Cuomo, by revealing that a member of a top law firm that is backing Cuomo participated in the writing of the report. He has also charged the SEC with political motivation because of its failure to release a report on an investigation of the bankrupt Urban Development Corporation, a report that would implicate then-Governor Nelson Rockefeller on the same charges of which Beame is accused.

The Labor Department Offensive

Rohatyn and Mondale have activated another front to finish off the labor-traditionalist machine alliance and

SEC On Warpath

In addition to the Securities Exchange Commission's New York City report, the SEC is also hitting 450 bank holding companies with "queries" about loans to company officials and executives, in the wake of the Lance banking scandal. At the same time, the *Wall Street Journal* reports that the SEC is going after "public companies whose executives are able to obtain loans on particularly easy terms." The investigations have the objective of watergating both politicians and banking executives who refuse to acquiesce to the Reuss-Proxmire scheme for a banking reorganization that is to serve as key to a bailout of the debt-ridden dollar monetary system.

Simultaneously, the SEC is conducting what one agency official calls a "smash-and-grab" enforcement program, designed to scandalize insurance companies and bring them under vastly increased federal i.e., Mondale faction regulation. The SEC action is complemented by similar maneuvers by the Federal Trade Commission, the Department of Justice, and the Senate Antitrust Subcommittee chaired by Senator Edward Kennedy.

then major city governments as a logical extension of their destruction of labor. The Labor Department has already forced Chicago to repay \$1 million of CETA money to the federal government because 438 workers had been hired via "political favoritism" and "patronage". Marshall has mooted a total federal takeover of the jobs programs, which would be a blow to both the unions and political machines. In addition, records from the Chicago investigation have been sent to the Justice Department "for review" — a move clearly designed to intimidate both union and city officials. Marshall himself virtually admitted the bogus nature of the investigation when he said that most of the same 438 Chicago workers would have been hired anyway even if the federal government had been running the program.

Other Attacks on City Government

New York and Chicago are only the leading examples of a total onslaught on elected state and local governments and unions.

* In Maryland, the watergating and conviction of Governor Marvin Mandel is pulverizing the traditionalist Democratic machine to such an extent that Baltimore city officials and labor leaders are going along with a major pilot project for low-wage jobs.

* In Washington, D.C., traditionalist Mayor Walter Washington is being hit by operatives of the terrorist Institute for Policy Studies. Washington, a personal friend of Governor Mandel, is being attacked for advocating a hold-the-line budget. None other than Joe

Rauh — the IPS lawyer who infiltrated the Mineworkers and Steelworkers — is targeting Washington under the guise of a fight for "home rule." One week ago, Cyrus Vance and Hubert Humphrey offered Washington a juicy diplomatic post if he would resign as mayor; now sterner measures will undoubtedly be taken.

* In Boston, the press has daily headlines on Mayor Kevin White's "corrupt" patronage practices, including paying off cronies with judgeships and CETA jobs.

* The Rizzo machine in Philadelphia has been hit with a police brutality scandal and nepotism charges, with attacks centered around the watergating of key state legislators.

* Even Cleveland Mayor Ralph Perk, who has faithfully harbored Ustashi fascists within his government, is being hit with charges of financial swindles daily in the press.

Beame's counterattack and similar defensive efforts by other embattled politicians are guaranteed to fail as long as they remain merely that — defensive. Naming the real perpetrators of the treasonous conspiracy to sabotage the nation's industrial capacity — Felix Rohatyn, Walter Mondale, Griffin Bell, the Institute for Policy Studies terrorist machine — is one vital step to success. The other necessary offensive is a programmatic one to counter the deindustrializers, and here Beame and the rest will find in the U.S. Labor Party's development and banking proposals precisely the ammunition they need to win.

USLP Files Civil Rights Suits Against FBI's 'Fist'

U.S. Labor Party officials announced Aug. 30 that the party is preparing lawsuits under the federal civil rights statutes against named state and local government officials in Michigan and other states who are actively pursuing a campaign of disruption of Labor Party electoral campaigns and organizing. The named individuals to be sued are both witting and unwitting participants in the Carter-Mondale Administration's operations 'Fist' and 'Sweep', run out of the U.S. Justice Department and intended to bankrupt and then physically destroy the Labor Party during the month of September.

USLP officials further reported that the party has already challenged the Justice Department to investigate this conspiracy by filing a formal complaint with its Civil Rights Division, along with voluminous documentation of "reckless disregard and violation of the civil rights of this organization by certain members of the Michigan state and local law enforcement community."

The USLP's complaint alleges, "Our Michigan members, since early August, have been daily subjected to a wide-ranging and relentless campaign of harassment by state and certain local police. Members have been picked up on "I.D. checks," subjected to arbitrary arrest, thrown into jail... held on outrageous bail... We have been told by certain law enforcement officials that

they have been given orders from the state police to check the I.D. of all Labor Party organizers they see on the street selling their newspaper.

"Coincident with this sudden escalation of arrests, tickets, and warrants, is the amazing proliferation of verbal and physical abuse against our members..."

During the past 72 hours, there has been a marked increase in incidents of violent disruption and illegal police interference in USLP campaign activities in the state of Michigan in particular. Michigan party officials report that illegal interference with campaign activities is currently occurring at a rate above ten incidents per day, with a minimum of six incidents per day involving illegal direct police interference in USLP campaigning. This includes unlawful arrests of campaign workers distributing USLP publications on such charges as "obstructing traffic," and police threats of arrest causing disruption of campaign activities in specific locations. In addition to direct police harassment, USLP campaign activities are subject to disruptions several times per day by groups and individuals including followers of the CIA-linked Rev. Sun Myung Moon and by security guards in the employ of the United Auto Workers (UAW), such disruptions have included physical attacks, as well as a pattern of sexual molestation of female campaign workers. Yesterday alone, three USLP campaign organ-