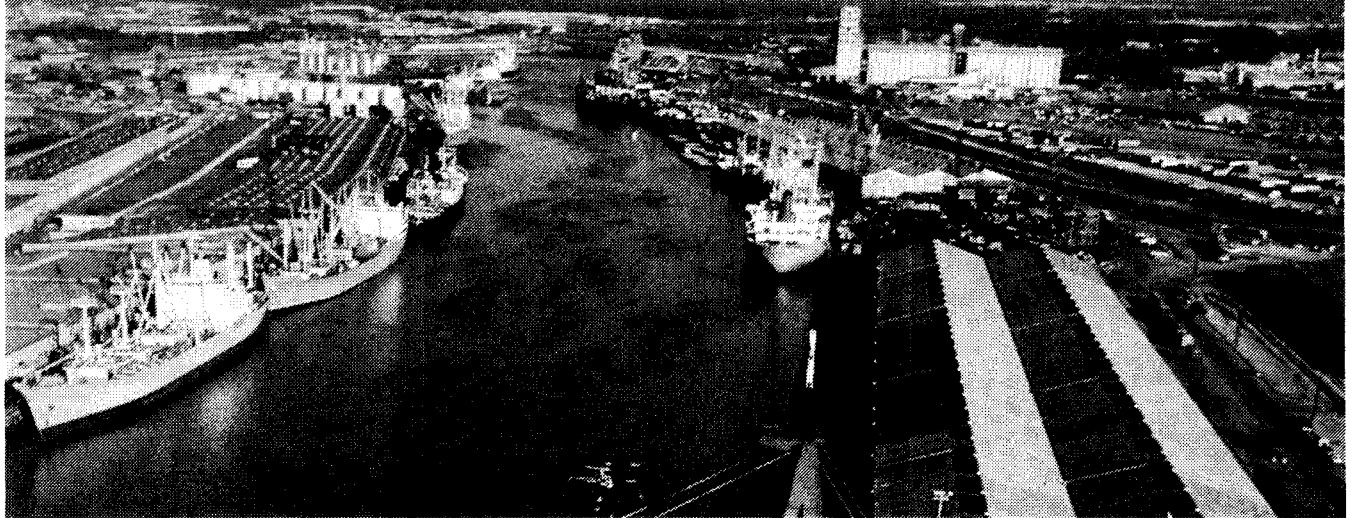


# The targets: builders of industry



The Justice Department under Attorney General Benjamin Civiletti has used political purges to transform the leadership of whole regions of the country. In Philadelphia, for example, the chairman of the city council and over half the local congressmen have been indicted through Abscam ("Arab-scam"). Across the river in Camden, N.J., Mayor Angelo Errichetti—the principal spokesman for regional nuclear energy development and for a project to modernize local port facilities—has had his political future ruined in the same "sting" operation.

In the Southwest, where economic progress has been maintained to some extent despite the policies of the Carter administration and Federal Reserve, another "sting" was launched, codenamed Brilab ("Bribery-labor"). Among those hit by the Civiletti Justice Department in this region are Texas Speaker of the House Billy Clayton and L. G. Moore, head of the Operating Engineers union in a five-state area that includes Texas.

Both Moore and Clayton have been openly critical of the disastrous economic policies of the incumbent administration. In Brilab, we see the Texas speaker indicted by the Justice Department for the crime of trying to save the state of Texas \$1 million on its insurance policy. Bringing the indictment against Speaker Clayton is U.S. Attorney Tony Canales, a man who built his legal career defending heroin smugglers before he became Carter's 1976 campaign coordinator for south Texas. Federal Judge Robert O'Connor has already reprimanded the Justice Department for violating Speaker Clayton's constitutionally guaranteed right to due process.

This process reflects the economic strategy of Federal

Reserve chairman Paul Volcker, the Carter administration, and their controllers, who have methodically used Federal Reserve credit facilities to divide the American economy into two tiers, the "sunset" industries, which include heavy manufacturing, trucking, mining, construction; and the so-called "sunrise" industries of telecommunications, computers, services.

Trucking deregulation was rammed through a Congress that had been broken by the terror tactics the Justice Department developed with Abscam and Pendorf. Among those named in Abscam were many close political allies of labor with responsibility for oversight on aspect of deregulation, including: Sen. Harrison Williams (D-N.J.), chairman of the Senate Labor and Human Resources Committee through which all labor legislation must pass; Rep. Frank Thompson (D-N.J.), number two man on the Education and Labor Committee, the House parallel to that of Williams's; Rep. John Murphy (D-N.Y.), chairman of the Merchant Marine and Fisheries Committee which will handle forthcoming legislation on maritime deregulation.

Sen. Howard Cannon (D-Nev.) was implicated in Justice Department "leaks" on Pendorf—"Pension Fund-Dorfman," a massive probe into the Teamsters' Central States Pension Fund—when there was a question over whether his Commerce Committee or Sen. Kennedy's (D-Mass.) Judiciary Committee would have oversight on trucking deregulation.

The International Brotherhood of Teamsters (IBT) and International Longshoremen Association (ILA), two of the most important unions linked to the transport-

tation sector, have been among the first and hardest hit by the Justice Department.

Literally hundreds of IBT and ILA officials have been indicted over the last four years in the name of combating "labor racketeering." Grand juries dealing with aspects of Pendorf are now underway in four cities—Chicago, Kansas City, Milwaukee, Las Vegas—and the first indictments are expected to begin within the month. But Pendorf itself is merely the first salvo of a barrage of indictments against top trade unionists throughout the Midwest. In addition to Pendorf, at least 15 major criminal investigations are now being carried out by the Justice Department into the Central States Pension Fund.

According to sources at the Senate Permanent Investigations Subcommittee under Sen. Sam Nunn (D-Ga.), these undercover operations are to culminate in "super-McClellan Committee" hearings after the January inauguration. William Goodwin, the staff director of the Senate Subcommittee, stated in an interview with *EIR* that "Congress will come in and mop things up. We intend to break the power of the Teamsters, the Laborers and the Longshoremens all over the country."

The Justice Department argues that unions like these are targets because they are corrupt and do not serve their rank-and-file members' interests. Yet, where the members of the Teamsters, Longshoremens, and Laborers have gained a quadrupling of wages in many cases in the last 20 years, in just four years the Trilateralist economic policies of the Carter administration have managed to devastate these "sunset" areas of industry. According to the American Transportation Association, trucking traffic has plummeted 25 percent from last year's level, while new housing sales fell over 50 percent from 750,000 last August to 350,000 this April. It is clear from this record who has best served the interest of American labor.

### Targeting the Fortune 500

It is not only labor and its political allies who have been targeted for "sting" operations like Abscam, Brillab, and Pendorf by the Justice Department. Phase two of the operation calls for the same tactics developed in these areas to be applied very shortly upon the Fortune 500. Two Justice Department studies profiling industry have just been completed by the Criminal Division and the Law Enforcement Assistance Administration (LEAA). These studies, which cite manufacturing and energy-related firms as especially dangerous "repeat offenders," are intended to identify weak points for concentrating the Justice Department's 19 "white-collar crime" units.

Two examples suggest how this will work. Last spring the Justice Department established a special



*Texas Speaker of the House Billy Clayton leading a Brillab hearing July 11. Clayton's crime: trying to save the state \$1 million.*

Toxic Waste Strike Force, on the basis of "organized crime penetration" of firms handling chemical waste. Shortly after New Jersey Governor Brendan Byrne approved a state-level toxic waste unit for similar reasons, mysterious arson fires broke out in chemical dumps. Spokesmen for the Federal Emergency Management Agency sought to use this "emergency" as grounds to force the evacuation of Staten Island before anyone analyzed the "toxic clouds" caused by these fires. Once this was done, it was found that the fires were harmless. The incidents have been used, however, to demand costly new measures for dealing with toxic wastes by the U.S. chemical industry.

In the coal fields of Ohio, West Virginia, and Pennsylvania, the Justice Department has just finished the first phase of "Project Leviticus," a \$2 million investigation of "organized crime penetration" of the coal fields funded by the LEAA. Targeted in Leviticus are both coal owner-operators and the United Mine-workers Union.

Working closely with the FBI, which has reportedly blanketed rural areas with special teams, is former FBI Assistant Director Neil Welch, who is today in charge of the Justice System in Kentucky. Welch, who oversaw the pilot project to shift the FBI into the new areas of "white-collar crime" and "labor racketeering," was reportedly dismissed from the Bureau for leaking the names of those targeted in Abscam three months before there was a single indictment. Welch's involvement in aspects of Leviticus is believed to mean that the entire coal-mining industry is being set up for reorganization.