

New York scandals spell the end of Harriman Dems

by Mel Klenetsky

The corruption scandals that are currently wracking the Democratic Party in New York City signify that the "Reform" Democratic apparatus, the legacy of the late, pro-Nazi W. Averell Harriman, is being dismantled, piece by piece. The sleazy, drug-mafia-linked Democratic National Committee, which had hoped for a comeback in the 1988 presidential election, will find itself subject to an ever-growing series of indictments, trials, and convictions well into the coming election year. And recent developments in Atlanta, Georgia—scene of the 1988 Democratic nominating convention—show that what has begun in New York, will scarcely stop there.

Every top politician in the New York Democratic leadership will soon have been touched, in one way or another, by the current scandals:

- The "Irangate" scandal in Washington has by no means targeted only officials of the Reagan administration. As *EIR* has shown, the covert policy of weapons supply to Ayatollah Khomeini began during the Carter administration, and the entire "Irangate" apparatus, known as "Project Democracy," has far-reaching tentacles inside and outside government. Outside the government, Jay Lovestone's machine in the Democratic Party and the AFL-CIO is, for all intents and purposes, synonymous with Project Democracy. Lovestone was a founder of the Communist Party U.S.A. in the 1920s; he headed up the research divisions of the International Ladies Garment Workers Union (ILGWU) and the AFL-CIO; and, through such organizations as the League for Industrial Democracy (LID) and the American Institute for Free Labor Development (AIFLD), figures prominently in Project Democracy's "secret government" apparatus. Lovestone has had great influence over New York's Liberal and Democratic parties, and his cronies helped put Sen. Daniel Moynihan and Gov. Mario Cuomo into office.

- The Ivan Boesky "Wall Street insider trading" scandal

has touched New York City Controller Harrison Goldin, who is under investigation for his dealings with Boesky.

- The recent resignation of Bess Meyerson as cultural affairs commissioner of New York City is seen by many as the beginning of the end for Mayor Edward Koch. Indeed, the more the New York scandals unravel, the more the noose seems to tighten around the necks of Koch and Cuomo. The fall of Koch would certainly mark the end of the Harriman wing of the Democratic Party.

The rise and fall of the Harrimanites

The current strength of the Harriman wing of the Democratic Party derived from the late '50s and early '60s, with the Reform Democratic movement in New York City. Koch beat out Carmine DeSapio as the local leader of the Greenwich Village Democrats. Because DeSapio no longer headed up a local club, according to the New York Democratic Party by-laws, he had to resign as Manhattan Democratic Party leader, the boss of Tammany Hall. Koch started the reign of the Harriman Reform Democrats in New York and national politics.

Harriman and company were seeking to destroy the traditional base of the Democratic Party, the alliance of labor, minorities, and others that had been consolidated in the early postwar years, through the 1950s. With the election of President John F. Kennedy, many a Harriman protégé was placed in his administration. It was Harrimanite blueblood Cyrus Vance, Koch's campaign finance chairman in 1981 and secretary of state under Jimmy Carter, who brought Joseph Califano and others into Kennedy's administration. Robert Kennedy, Robert McNamara, Vance, et al. smashed the old-line, constituency-based political machines. They used federal health, education, and welfare programs to establish a political patronage base that would undercut independent leaders like Harlem's Congressman Adam Clayton Powell.

In the 1970s, the McGovern reforms in the Democratic Party finished the work of the Harriman Reform movement, driving the traditional Democrats out of the party. In 1976, David Rockefeller's Trilateral Commission backed Jimmy Carter, who brought into his administration such Harriman favorites as Vance and Califano.

The unpopularity of Carter and Walter Mondale did much to weaken the hold of this crowd over national Democratic Party politics. But 1988 was to be the year of a comeback. The New York Democrats were to play a crucial role. Governor Cuomo was their man, and Geraldine Ferraro, Mondale's 1984 running mate, was to help pave the way. In June 1984, Cuomo gave the keynote speech to the Democratic Convention in San Francisco. The event had been orchestrated by Tim Russert, formerly Moynihan's chief of staff, then one of Cuomo's inner circle of advisers, and currently a vice-president of NBC. Newspapers lauded Cuomo's oratorical skills, and looked at him as the brightest light for a 1988 presidential bid. Ferraro, coming out of the same Queens political machine that he did, was nominated as the vice-presidential candidate. The Harriman Democrats were positioning themselves for a comeback in 1988, when President Reagan's personal popularity would no longer be a factor. Of course, it didn't happen that way at all.

The New York scandals

The New York scandals have derailed these efforts. To date there have been three phases: First was the investigation of Geraldine Ferraro and her husband, John Zaccaro. Then in January 1986, Donald Manes, Queens borough president, was found with his wrists slit, in an attempted suicide; three months later Manes committed suicide, over a scandal surrounding New York City's Parking Violations Bureau. The third phase began with scandals around a Bronx company called Wedtech and revelations concerning "no-show" employees of the New York Legislature.

Geraldine Ferraro was secretary-treasurer and a stockholder in her husband's firm. She failed to list this on her financial disclosure forms for the House Ethics Committee, and was subsequently absolved for the same kind of offense that former Idaho Rep. George Hansen went to prison for. The financial affairs of Ferraro and her husband came into the public view during the 1984 election campaign. It turned out that her husband was the part owner and manager of a building in Manhattan that housed the mafia-run Star Enterprises, Media Distributors, and Bonate Inc., firms which distribute such porn magazines as *Whips and Chains* and *Screw*.

In 1986 John Zaccaro was indicted and is currently on trial on charges of "acting in concert" with Donald Manes to seek a bribe from the Cablevision Systems Corp. A political mentor of Ferraro, Queens Supreme Court Justice Francis X. Smith, was also indicted, charged with perjury and criminal contempt of the grand jury that investigated the Cablevision scandal.

The Ferraro-Zaccaro investigations seemed to open up a Pandora's Box of scandals. Manes took his own life in March 1986 after he was targeted for taking bribes to rig a \$22.7 million Parking Violations Bureau computer contract with Citisource Inc. In March of this year, Stanley Friedman, the former Bronx Democratic boss, was sentenced to a 12-year prison term for racketeering, in connection with the Citisource contract. Lester Shafran, the former director of the Parking Violations Bureau, and Michael Lazar, the former city transportation administrator, were also convicted in the Citisource case.

The Wedtech scandal is decimating whatever remains of the Bronx political machine. Stanley Simon, the former Bronx borough president, resigned last month. He has pleaded innocent to charges of having extorted \$50,000 from Wedtech, a Bronx military contractor, whose officials have testified that they made payoffs to Bronx politicians. Bronx Congressmen Mario Biaggi and Robert Garcia were indicted for allegedly accepting secret payments from Wedtech. Vito Castellano, former commander of the Army National Guard and a former chief of staff to Governor Cuomo, pleaded guilty to accepting Wedtech bribes.

Moving on to Brooklyn, look at the case of Meade Esposito, former boss of the Brooklyn machine. Congressman Biaggi and Esposito were both recently indicted for allegedly advancing the interests of Coastal Drydock Corporation, a Brooklyn Navy Yard company. Esposito's protégé Jay Tur-off, the former City Taxi and Limosine Commissioner, was found guilty of tax fraud on April 10. His co-defendants were found guilty of creating an illegal monopoly to sell taxi meters. Another Esposito protégé, Alex Liberman, the city's former lease director, is now doing a 12-year sentence for a \$1.4 million lease extortion scheme. Harold Fisher, treasurer of the Brooklyn Democratic Organization and former chairman of the Metropolitan Transit Authority, is accused in a civil lawsuit of a \$16.4 million insurance company fraud.

The other recent round of scandals comes through investigations into the New York State Legislature's practice of keeping people on the state payroll who never show up for work. Richard Rubin, the powerhouse of the Queens Democratic Party, who worked under Matthew Troy until he went to jail, and then worked for Manes, was convicted in this "no-show" scandal and sentenced to five years in jail and a \$413,000 fine.

The no-show job scheme is close to indicting Senate Minority Leader Mahnfred Ohrenstein of Manhattan and Assistant Minority Leader Martin Connor. It was Connor who led the ballot challenge for Senator Moynihan in 1982, when this writer battled Moynihan in the primary for the Democratic Party's senatorial nomination.

Can the Democratic leaders regroup to have some say in 1988? Cuomo himself now says the graft is worse than the days of Boss Tweed. He dropped out of the 1988 presidential race for "personal" reasons, according to his own account. Undoubtedly he saw what happened to Geraldine Ferraro.