

created by small business. You are all acquainted with the 20 percent prime rate. It is breaking the backs of small businessmen. I for one don't believe that [Federal Reserve Chairman] Volcker is correct." The caucus established subcommittees on taxation, capital formation, trade, regulatory reform, and—to appeal to royalty owners—independent energy.

Secondly, an Agricultural and Rural Development Forum was convened after the DNC meeting adjourned. The forum featured New Mexico Gov. Bruce King, a rancher, Rep. Glenn English of Oklahoma, and former House Agriculture Committee Chairman Tom Foley of Washington State.

At this meeting, 100 farmers, some of whom admitted voting for Reagan, constructively attacked Democratic incompetence. American Agriculture Movement leader Harvey Gardner of Oklahoma, addressing Rep. English, said, "It is all well and good to talk about gasohol . . . but farmers can't make it because they can't borrow money." In addition, participants discussed the 1981 farm bill, predicting low prices and large surpluses. Parity will be under 60 percent of the cost of production. Bob Rauner, president of the Nebraska Wheatgrowers Association, noted that parity prices contribute to a balanced budget by creating a tax base. Most of the participants refused to blame the collapse on the Reagan administration, citing the role of the Carter administration in contributing to the collapse of U.S. agriculture, along with the rest of the economy.

The only other substantial policy issues were those introduced by representatives of the National Democratic Policy Committee, who made available preprints of NDPC Advisory Board Chairman Lyndon LaRouche's new book, *Restore the American System*. The NDPC's influence in the party has been growing steadily, as seen in a comment by California chairman Nancy Pelosi, who demanded that something be done to avoid "confusion" caused by the name of the LaRouche wing's multi-candidate political action committee, the NDPC. Another state chairman commented "It's time people knew the strength of the LaRouche organization."

Most of the rest of the meeting was concerned with the proposal of Chairman Manatt to halve the size of the midterm conference from the 1,600-1,800 delegates mandated at the 1980 convention, and to hold the conference in the spring of 1982. According to Manatt, "the midterm conference is not a mini-convention, but a meeting of the national leadership [with] the responsibility for winning elections."

Although only the Socialist International's "Democratic Agenda" caucus has strongly opposed Manatt's paring down of the midterm conference, party regulars are wondering when they will be given some power to change the liberal inclinations of DNC members.

Dan Moldea spells out the U.S. left and FBI

*Dan Moldea, best known as the author of the anti-Teamster book *The Hoffa Wars*, has predicted "a major organized crime scandal involving top Reagan administration figures," and called on the left to openly ally with the Carter holdovers in the Justice Department against "organized crime"-linked administration officials, Teamsters, and congressmen.*

Moldea appeared at the Washington headquarters of the Institute for Policy Studies (IPS) on May 28 to address 25 radical leaders and so-called investigative journalists with a prepared speech on "Organized Crime, the Reagan Administration, and the Left." He had worked out his speech the previous evening with Walter Sheridan, former head of Justice's "Get Hoffa Squad" and current chief counsel to Ted Kennedy on the Senate Labor Committee. IPS—of which Moldea is a fellow—is a sponsor of union dissident groups and has links to support for the Weather-underground, the Baader-Meinhof Gang, and other terrorists worldwide. The left think tank is now intended to openly join the Washington Post, Aspen Institute, and other liberal institutions that wrecked the Nixon administration and are currently targeting the traditional labor movement and the Reagan administration simultaneously. Excerpts follow from a transcript of Moldea's speech, provided to EIR.

I am a freelance writer who has concentrated on investigative reporting of organized crime and labor racketeering. I am the author of *The Hoffa Wars*, which was a Book-of-the Month Club selection. My work has been published in the *Washington Post*, the *London Observer* and *Playboy*. In addition I have worked with NBC News, the *Detroit Free Press* and Jack Anderson. And I have been supported, in part, by grants from the Fund for Investigative Journalism here in Washington.

Today is a special day for me. After seven years of investigating the underworld, I have decided to do this seminar as my own swan song. If I return to this work at a later date, I will do so, I assure you, I will be dragged back into the fray kicking and screaming. I would like to

an alliance of against Reagan

thank the Institute while I finish my second book on the Independent Truckers movement. . . .

Since the mid-1960s there has been a bugaboo on the subject of organized crime. . . . I realize that I am walking a fine line here, and some of this talk might sound like heresy to many of you. But I believe that this rigid ideology is being counterproductive both to the general public and to the cause of the left.

The reason for this seminar today is for me to predict in front of all of you that there is going to be a major organized-crime scandal involving top Reagan administration officials during these next few years, perhaps even in the next few months.

And in anticipation of this I believe that it is important for those of us on the left to begin educating ourselves and simultaneously protecting ourselves from the inevitable counterattack from the right. And that counterattack will concentrate on such liberal groups as the American Civil Liberties Union. Presidential advisers Ed Meese and William Wilson have already stated publicly that because the underworld benefits from the ACLU's actions, there is reason to believe that the ACLU is being "protected by some organized group that makes their living from misdeeds against society." To date, President Reagan and his administration have shown a frightening tolerance of organized crime. . . . And predictably the left isn't lifting a finger to stop this. . . .

The FBI's Abscam probe is a perfect example. As soon as the sting operations were revealed, the left's immediate reaction was that it was entrapment. The FBI's Abscam and post-Abscam operations like Brilab and Pendorf may prove to be the most effective challenge ever against organized crime. Some of the most dangerous criminals in this country are for the first time in their crime-proof career, in very deep, very serious trouble. . . . It should be pointed out that those officials who are most dedicated to the war against the underworld are those who were appointed by the previous Democratic administration, particularly FBI Director William Webster and

Dave Margolis, the head of the strike force against organized crime. . . .

Today, President Reagan and his appointees have shown a frightening power [inaudible] organized crime in the United States. And this power is consistent with the growing list of embarrassments officials in the Reagan administration have experienced as a result of innocent, and, I believe, not-so-innocent associations with organized crime figures.

For instance, **Sen. Paul Laxalt** of Nevada, Reagan's campaign manager and described as his best friend, has been openly using his influence in the Republican Senate to cut back probes into organized crime in Nevada. Laxalt is brazen in admitting his friendship with reputed organized crime boss Morris Dalitz, who contributed \$1,000 to Laxalt's senatorial campaign. Dalitz is one of 10 organized crime figures who have contributed thousands of dollars to Laxalt's political campaign since his 1966 gubernatorial campaign. He also received aid from a casino owner who helped him obtain a \$950,000 loan; the casino owner had been run out of business by the Securities and Exchange Commission for stock fraud. In addition, a convicted extortionist played a key role in at least one of Laxalt's senatorial campaigns; still Laxalt remains a close adviser of the President and has become a powerhouse in the Senate.

Reese H. Taylor, a former chair of the Nevada Public Service Commission, and a former law partner of Senator Laxalt's since 1971 and [of] William French Smith from 1952 to 1958, has been nominated by President Reagan to head the Interstate Commerce Commission. Taylor is on record as opposing the deregulation of the trucking industry, which the Teamsters union has violently opposed. Teamster President Roy Williams was indicted last Friday, May 22, for attempting to bribe Sen. Howard Cannon, also of Nevada, in the union's attempt to water down the Kennedy-Carter deregulation bill of 1979. Cannon's watered-down bill did finally pass—however Cannon has not been indicted. Further, ICC chair Reese also is expected to support the eradication of the [passalong] fuel charges for independent truckers which the independents won during the 1974 and 1979 trucker shutdown. Should the surcharge, which helps the independents defray the rising cost of fuel, be revoked, an estimated 60 percent of all independent truckers will be driven out of business within six months. The Teamsters union is on record as opposing this independent truckers movement, despite the fact that nearly 40 percent of all independents are members of the Teamsters union. Should Reese pull the surcharge, the independents have already announced their intention to shut down nationwide again.

Ohio Teamster President Jackie Presser was appointed to the Reagan transition team to help with personnel and policy changes concerning labor, despite his close

relationships with numerous underworld leaders. An eighth-grade dropout who Reagan gave the title "Senior Economic Adviser," Presser had a Department of Labor suit pending against him for mismanagement of union funds at the time of his appointment. On Aug. 27, 1980, candidate Reagan met with Presser, his father, who was the twice-convicted union embezzler, and Roy Williams in a 45-minute private meeting. The day before his secret meeting with Reagan, Roy Williams had taken the Fifth Amendment 24 times before the Senate Permanent Investigations Subcommittee, refusing to answer questions about his personal and financial relationships with organized crime figures. The week Reagan was elected President, his first stop was Teamster headquarters, where he again met privately with these Teamster officials. Of course, the Teamsters union was the only major labor organization to support Reagan's bid for the presidency.

Attorney General William Smith, Reagan's longtime personal attorney, attended a party late last year hosted by Frank Sinatra—who has numerous crime connections. William Safire observed in the *New York Times*: "It seems to me that the nation's chief racket-buster should not lend his presence to a man long associated with racketeers, and who now seeks from the Reagan administration the respectability he needs to re-enter the Las Vegas casino scene." Sinatra, of course, has re-entered the Las Vegas casino scene, with the personal help of President Reagan, who wrote a letter to the Las Vegas Gaming Commission about his good friend Sinatra. Also present at the Sinatra party, but overlooked by nearly all press accounts, was Sidney R. Korshak, who has been described by the *New York Times* as "the most important link between organized crime and legitimate business." One of Korshak's closest friends, according to a June 1976 article in the *Times*, is Lou Rothaman, chief executive for MCA, the entertainment conglomerate. Rothaman also served as the exclusive agent for actor Ronald Reagan for the duration of his acting career.

Secretary of Labor Ray Donovan has been accused by several respected government informants of being associated with a variety of East Coast underworld figures. He is also accused of violating [inaudible] from the Teamsters for a construction firm. He has admitted to hiring a no-show Teamster, which has been argued as having been an admission of making payoffs. On May 22, a Teamster official was indicted for shaking down Donovan's former construction company. However, it should be noted that it takes two to make an extortion scheme happen: the party who received the payoff and the party who makes it. Donovan, who was recommended to Reagan for secretary of labor by William French Smith, is far from being off the hook in this matter. Many are predicting that he will be indicted sooner or

later. Meantime, Donovan is in charge of the Labor Department and all its businesses, including the numerous investigations and suits pending against the Teamsters union.

Interior Secretary James G. Watt, who has financed the anti-environmentalist crusade in his previous career, with the help of funding from oil companies, also received several thousands of dollars in contributions from Las Vegas casino operators.

Donald Regan, secretary of the treasury, has led the support of his department to Senator Cannon's bill to exempt gambling profits from taxes. According to the Treasury Department, taxes are not an effective deterrent to gambling, and it is wasteful and inefficient to try to collect them.

Lenore Annenberg, Reagan's new chief of protocol, [who] meets with movie producer Harry Cohn, and [is the] wife of former U.S. Ambassador to Great Britain Walter Annenberg, was formerly married to Belvin Cattleman, the crime-connected owner of El Rancho Vegas, a Las Vegas gambling casino. Her second husband was a convicted bootlegger, Louis Rosenfeld, a reputed associate of Meyer Lansky. Her third and current husband, Ambassador Annenberg, is the current owner of *TV Guide* and the *Daily Racing Form*. Both Annenberg and his father, Moses, were connected to the Al Capone crime family, and were investigated by the [inaudible] committee for their associations with the underworld. Both Annenberg and his father were indicted for criminal income-tax evasion; however, the elder Annenberg copped a plea in return for the dismissal of charges against his son. The father went to jail, and the future ambassador took over the family's businesses. Earlier, both men had been linked to magazines which have been charged with being pornographic. According to published reports, Walter Annenberg bought his ambassadorship in 1969, in return for his contributions to the Nixon campaign. Thus it is simply inconceivable considering the record that her three husbands have all been mob-connected, that Lenore Annenberg has had no association with organized crime figures.

During the impeachment summer of 1974, White House Chief of Staff Alexander Haig secretly ordered an investigation by the Criminal Investigative Command, the Army's FBI, on President Nixon's alleged ties with the underworld. When the filed report was given to Haig, providing details of Nixon's career-long personal relationship and financial associations with underworld leaders, Haig, according to the CIC investigator, confronted Nixon with the Army's report. Within days, Nixon resigned after Haig orchestrated the release which began on June 23, 1972 of taped conversations between Nixon and John Dean, in which the Watergate coverup was discussed. One view of this is that Haig acted heroically. On the other hand, he did conceal this information

from the [Watergate] special prosecutor.

Finally, what can be said about **President Reagan** himself? Any investigation of the possible association between the underworld and Ronald Reagan should initially concentrate on Ronald Reagan's personal relationship with one man: Sidney Korshak. The *New York Times* described Korshak as "a senior [inaudible] for and senior adviser to organized crime groups in California, Chicago, Las Vegas, and New York. He directs their investments, their internal affairs, their high-level decision making." In addition, Joyce Haber, a columnist, said: "Sidney Korshak is probably the most important man socially in California, and many organized crime investigators believe that few people seeking high public office in that state can win without his support." I believe that President Reagan, particularly considering his administration's handling of organized crime today, should be pressed to make a full explanation of his association with Korshak. Further I believe, that the same demands should be made to Attorney General Smith. If there are no questions, there is no issue, and I am not making specific charges here, I am simply trying to provoke these questions by asking how many coincidences does it take until two and two equals four? . . . In the next few weeks and months, FBI Director William Webster will increasingly become at odds with the attorney general and the entire Reagan administration over the organized crime issue. I believe that Webster should not fight this battle alone. I believe that Webster has distinguished himself as a man of decency and fairness, who has refused to believe there's some mythical Soviet terrorist plot. . . . As a result of this independence from the administration, he is being now attacked by the right. . . . I firmly believe and continue to advocate that the left will be best served to consider what was once unthinkable by sharing a degree of common causes [with] the director of the FBI, particularly in his war against organized crime. In 1969, Ralph Salerno, one of the most respected organized crime experts in this country, predicted: "Organized crime will someday put a man in the White House and he won't know it until they hand him the bill."

To fulfill my obligation here, I said I would take a look at the upcoming Teamsters convention. The International Brotherhood of Teamsters is particularly ruthless when attaining and maintaining power and money. To all intents and purposes it is a totally corrupt labor organization. Every year there are numerous investigations by the government and exposés by the press which remind us of that. The major problem in the Teamsters union is that, unlike other unions like the UAW with fouled-up union democracy, its structure is organized top-down. There are no direct rank-and-file elections of the union's national officers. The leadership essentially insulates itself and elects itself. The rank and file virtually has no voice in the process of their union. Jimmy Hoffa

created this autocracy at the 1961 Teamsters convention by revising the union's constitution and placing all power in his own hands. If anyone wanted to make a deal, they had to make it directly with Hoffa. Consequently, Hoffa became a lightning rod for the government and the press. Those who associated with him, particularly underworld figures, found themselves in a public spotlight they really didn't want. . . .

When Frank Fitzsimmons came to power in 1967 as Hoffa's caretaker, he fought to decentralize the union, giving enormous amounts of new-found power to the general executive board members, the heads of the various joint councils, and the chiefs of the 800 locals around the country. As a result of this policy of decentralization by Fitzsimmons, he endeared himself with those Teamster leaders who had just stood by with their hands in their pockets, during the Hoffa presidency. . . . Many of them made deals with local crime kingpins and profited handsomely from these associations. Consequently, Teamster corruption began to be concentrated at the local levels. I believe that the new president of the Teamsters union, Roy Williams, will continue to operate the union under this decentralized system. The centralized union as Hoffa [ran it] would shake up too many deals among local Teamster officials and crime bosses around this country.

Williams himself is closely connected to Kansas City mobster Nick Zebar and New Orleans crime boss Carlos Marcello, among others. He has been indicted at least four times for embezzling union funds, falsifying records, and now attempting to bribe a U.S. senator. In short, Williams will continue to symbolize the continuing corruption of the Teamsters union. It was my fear that the Teamsters like Ray Sheckland of Chicago, a man with a Mr. Clean-type image, would take over the union. With this, many in the government and the press in their infinite wisdom, would have concluded that the union had consequently been reformed. Rank-and-file reform movements within the Teamsters union have come and gone, seemingly forever, but for the first time in the union's history, the Teamster leadership is effectively being challenged by the Teamsters for a Democratic Union, which you are going to be hearing a lot about in the next week. They recently merged with the Professional Drivers Council on Safety and Health, an offshoot of the Nader organization. The father of PROD, [another Teamster dissident movement], Arthur Fox, is here with us today. Although TDU has no chance of upsetting Williams or the top Teamster leadership at the convention next week, it will have 40 of its delegates present on the convention floor. And I believe that these 40 delegates, their lives and their personal safety, will be seriously jeopardized in the week ahead, as their lives and their personal safety [were] jeopardized during the 1976 Teamster convention. [End of transcript.]