

clearly identifies at one point that a public service jobs program is the "centerpiece" of any full employment program.

Said one Carter Administration official about the Secretary of Labor recently, "Ray is a bit daffy. He thinks that you can solve any problem by spending huge amounts of money to create public service jobs... at least at this point, there are plenty of people around here who think he is off the wall..."

Two subjects are on my mind these days. One is full employment and the other is energy. They may seem unrelated, but, in reality, they are closely intertwined. As you know, the President this week endorsed a new version of the Humphrey-Hawkins bill. This legislation underscores this Administration's commitment to full employment. We now have concrete benchmarks to measure our progress toward what I believe is the attainable goal of 4 percent unemployment in 1983.

Much of the responsibility for achieving full employment rests on the shoulders of those of us with the responsibility for running public service jobs programs. It is clear that this Administration believes that these

programs are the centerpiece of the Federal government's effort to reduce the unemployment rate to acceptable levels....

A major reason for lagging business is continued uncertainty over energy supplies and their cost. Until we can guarantee that American Business will have an assured supply of energy at a predictable cost, many firms will defer their spending plans until the situation clarifies. The result will be the creation of far fewer jobs than we need. I don't have to remind you what the natural gas shortages last winter did to the unemployment rate.

That is why those of us who are concerned about jobs programs have an important stake in the energy bill now being put together in the House-Senate conference committee. Unless Congress passes a bill that is compatible with the President's energy program, the doubt and uncertainty in the business community will continue. A solution to our energy and unemployment problems go hand-in-hand. A permanent reduction in unemployment depends on a healthy private sector. And without energy legislation, it will be difficult, if not impossible, to create the jobs that we need...

Gov't Documents Reveal UAW Source Of USLP Harassment

Documents released to the U.S. Labor Party under the Freedom of Information Act Nov. 17 have betrayed the guiding hand of United Auto Workers General Counsel Stephen Schlossberg in a campaign of sustained financial harassment against the USLP and its sister organizations since 1975. The documents, obtained from the Criminal division of the U.S. Justice Department, include a personal letter dated Sept. 4, 1977 from Schlossberg to then-Attorney General Edward Levi, enclosing a "confidential" memorandum proposing that the Federal Elections Commission launch an investigation of the USLP.

SPECIAL REPORT

The memorandum, excerpts of which are reprinted below, outlined the preliminary features of a concerted federal government "probe" into the finances of the U.S. Labor Party and the National Caucus of Labor Committees (NCLC) on the spurious grounds that the NCLC is a front for the Soviet Union and is "evolving into a terrorist gang." It then proposed systematic "local countervailing activity" against the regional offices of the U.S. Labor Party and volunteered to make UAW information available to the Federal Elections Commission (FEC) for purposes of profiling the resources and expenditures of the U.S. Labor Party. In the interest of pulling together a coordinated effort, the memo even

suggested the convening of a high-level meeting of "those most concerned."

In the period following this September 1975 proposal, the U.S. Labor Party has been subjected to intense financial harassment, which has cost hundreds of thousands of dollars in lost campaign contributions, credit, and legal fees alone.

The centerpiece of this campaign has been the continuing refusal of the FEC, under the direction of Chairman Thomas Harris, to award the USLP \$110,000 in primary matching funds for the 1976 presidential campaign of Lyndon H. LaRouche, Jr. Instead, the FEC has charged the Committee to Elect LaRouche with improper filing and subjected CTCL contributors and creditors to intimidation and harassment in its effort to find any possible loopholes in the USLP's finances or campaign activities. Financial records and USLP officials have been repeatedly tied up by the FEC in lengthy and costly legal procedures. Three FEC auditors spent three days in the USLP's New York headquarters last week scouring financial records for possible discrepancies. And USLP candidates in just-concluded local elections have been slapped with individual improper filing suits by the FEC (see box).

The UAW Network

The documents released to the Labor Party also show that a coherent network extends from the United Auto Workers and the AFL-CIO through the "social democratic" wing of the Democratic Party straight to the highest levels of the FEC. The Schlossberg memoran-

dum was reportedly drafted by Charles Baker of the Institute for American Democracy on behalf of Schlossberg and I.W. Abel, Jake Clayman, and Tom Kahn of the AFL-CIO's Industrial Union Department. The Institute for American Democracy is itself a joint venture involving the UAW, the Jewish Lobby's Anti-Defamation League, and the IUD. Schlossberg's pipeline into the FEC leads directly to Chairman Harris, who if former Associate General Counsel of the AFL-CIO, and FEC Commissioner Neil Stabler, a close associate of the UAW and former Chairman of the Michigan State Democratic Party.

Schlossberg is also personally handling one major front in the national campaign to bankrupt the USLP, the UAW's \$30-million trademark lawsuit against the NCLC and its newspaper, *New Solidarity*. To develop his case, Prosecutor Schlossberg has solicited the assistance of FBI informant and former NCLC member, Gregory Rose, in surreptitiously obtaining highly confidential and privileged information on the party's defense.

The NCLC has brought Schlossberg's unethical behavior to the attention of the District of Columbia Bar Association by filing a formal complaint (see excerpts). Schlossberg has made every effort to deflect the D.C. Association's request that he respond to the charges by denying the authority of the Washington Bar to investigate him when similar charges are up for consideration by a Federal Court of New York magistrate.

. . . from the Justice Dept's NCLC File

The following documents were released last week to the U.S. Labor Party by the Criminal Division of the Justice Department, pursuant to a Freedom of Information Act request.

MEMORANDUM

Date: September 23, 1975

To: Director
Federal Bureau of Investigation

From: Richard L. Thornburgh
Assistant Attorney General
Criminal Division

Subject: *National Caucus of Labor Committees*

There are attached hereto, for your information, copies of a letter to the Attorney General from (deleted) information he transmitted concerning the National Caucus of Labor Committees.

* * *
CONFIDENTIAL

September 4, 1975

Edward H. Levi
Attorney General
10th and Const. Ave., N.W.
Room 5111
Washington, D.C. 20530

Re: National Caucus
of Labor Committees

Dear General,

As you know, I have a continuing interest in the above organization. I am enclosing relevant information for you and for referral to the appropriate person in the Justice Department.

Thank you for your interest.

Kind regards,

Sincerely,
(Deleted)

* * *
CONFIDENTIAL

To: (deleted)
From: (deleted)
Re: *National Caucus of Labor Committees*

The NCLC is entering a new, and my judgement, dangerous phase of its development. While the efforts to penetrate the trade union movement are continuing, apparently with only slight success, and its U.S. Labor Party candidates are campaigning for local, state and national office, the central thrust of the operation is changing.

The NCLC is preparing for "Operation Counter Punch" directed primarily at the Maoist Revolutionary Union, and to a lesser extent the October League, Progressive Labor Party and Weather Underground, all with strong Maoist ties...

The NCLC is now openly promoting the positions of the Soviet Union.

Much of the space in its twice-weekly newspaper *New Solidarity* is devoted to propagandizing the Russian positions on the Mideast, Indira Gandhi, Portugal, etc. ...

Since the Maoists have been more successful than the Soviets in attracting young U.S. radicals, the NCLC may simply be the best resource at hand to counter the Moaist influence. While I cannot visualize a force as sophisticated as the KGB taking the NCLC positions seriously, the KGB must be aware of its potential for violence and assassination. Conceivably it is directing some money into the operation. Clearly NCLC founder