

National News

Bush to allow U.S. launches by Russians

In a stunning reversal of policy, President Bush is planning to approve a recommendation of the National Space Council that U.S. satellite makers be allowed to purchase Soviet rocket launches for commercial satellites.

The policy has been opposed for years by domestic rocket producers, and the Departments of Transportation and Defense. Numerous appeals to lift the ban on Soviet launches had been denied by President Reagan.

The launch facility will be provided by the proposed private Cape York Space Agency in Australia, according to the July 8 *New York Times*. As a first step, the Australian agency will be permitted to hire a division of United Technologies to operate the station. Launches of the Soviet Zenit rocket are planned from the facility beginning in 1995.

Neil Bush faces civil suit

Outgoing Federal Deposit Insurance Corp. chairman L. William Seidman is considering filing a \$200 million civil suit against nine former officers and directors of the Silverado S&L, including President Bush's son Neil Bush, to recover some of the \$1 billion lost through negligence and unsafe and unsound banking practices, the *New York Times* reported July 11.

Neil Bush engaged in "one of the worst kinds" of conflict of interest as a director of Silverado because of his business relationships with several of Silverado's major customers, the Office of Thrift Supervision said in a just-released Feb. 5 brief supporting its charges, the *Washington Post* reported July 11.

Other OTS documents released in early July say that Neil Bush concealed from other Silverado officials the fact that he and Kenneth Good were partners in an Argentine

venture for which Good was seeking a \$900,000 line of credit. Bush "did everything in his power to bring about a regulatory violation" of rules governing how thrifts make loans to their own directors and officials, regulators said.

The OTS has charged that Bush failed to disclose to Silverado that Good had agreed to pay him \$3.1 million to buy an 80% stake in Bush's JNB Exploration at the same time Good was telling Silverado that he could not repay \$8 million of \$11 million in loans. The third charge alleges that Bush acted "in a manner likely to cause abnormal risk to Silverado" when he voted to approve loans to Denver developer Bill Walters, a Bush business partner whose bank had given JNB a \$1.7 million letter of credit. Walters ultimately defaulted on some \$91 million in Silverado loans. The charges are being heard by an administrative law judge, and will be the subject of a public hearing Sept. 25 in Denver.

Marcos, Khashoggi found not guilty

Former Philippines First Lady Imelda Marcos and Saudi Iran-Contra scandal figure Adnan Khashoggi were acquitted of all charges of financial crimes by a New York jury on July 2.

"There was no evidence in this case," jury forewoman Catherine Balton told the press after the verdict. "There was nothing to convince any of us there was a case."

Another juror, Thomas O'Rourke, said, "There may have been a conspiracy, but it was not by the Marcoses. . . . It was on the wrong side of the ocean. It was a totally silly case. We are not big brothers to the people overseas."

The *Washington Times* noted that the verdict was a major blow to the government, which spent millions on the prosecution, and that it also raises questions about the government's chances in the prosecution of Panamanian Gen. Manuel Noriega.

The *New York Times* quoted defense attorney Alkan Abramowitz, saying the verdict illustrated the dangers of a prosecution strategy of targeting people whom law-en-

forcement officials label as "bad" and then setting out to try to make a case against them.

Judge John Keenan acknowledged, out of the juror's hearing two weeks ago, "What is an American court . . . what am I doing here at 40 Foley Square trying a case involving the theft of money from Philippines banks?"

Feds suffer setback in Chicago futures trial

Federal prosecutors suffered a major setback in the first Chicago futures trial when the jury reached guilty verdicts on only eight of 116 counts against three Swiss franc traders at the Chicago Mercantile Exchange.

The July 10 *Wall Street Journal* wrote that "Even the guilty verdicts were a Pyrrhic victory" because of the sheer magnitude of the government investigation, which had spanned more than two years, involved undercover agents posing as traders in the pits, and consumed millions of taxpayers' dollars.

The failure to get less than one conviction for every ten indictments may slow the Bush administration's drive to establish top-down control over the financial markets. But the terror of the investigation and prosecution has led to 16 of the 48 people indicted so far to plead guilty.

NAACP leader scores 'Nazi-like' DoJ tactics

National Association for the Advancement of Colored People director Benjamin Hooks blasted the FBI for persecuting black politicians, notably Washington, D.C. Mayor Marion Barry, in a keynote address to the July 8 NAACP convention in California, and to the July 10 *Washington Post*.

Hooks warned that "The worst thing that could happen to this nation is for the government to adopt Nazi-like tactics to enforce the law." He charged that "something is wrong with our system of justice when more than

\$40 million is spent and over 70 FBI agents assigned to trail and monitor one black elected official; to set up a sting operation to bring him down. . . .

"At no time since Reconstruction has there been a comparable period of incessant harassment of black elected officials," Hooks said, adding that the targeting of black officeholders is "commonplace under Democratic and Republican administrations alike."

Supreme Court bans political solicitation

The U.S. Supreme Court, in a 5-4 split decision issued in *U.S. v. Kokinda* on June 27, determined that solicitation for political causes on the sidewalks that provide access to Post Offices throughout the country is not protected by the First Amendment. The defendant, Marsha Kokinda, is a political associate of Lyndon LaRouche.

Justice Sandra O'Connor, using the most utilitarian logic, wrote for the majority that such sidewalks are not a traditional public forum and that an absolute ban on solicitation did not represent an unconstitutionally impermissible restriction on free speech. She was joined by Justices William Rehnquist, Byron White, Antonin Scalia, and Anthony Kennedy in reversing the decision of the Fourth Circuit Court of Appeals which upheld such First Amendment activity.

Justice William Brennan authored the dissent, and was joined by Justices Harry Blackmun, Thurgood Marshall, and John Paul Stevens. Pointing out the absurdity of the majority's opinion, Brennan wrote, "The Postal Service does not subject to the same categorical prohibition many other types of speech presenting the same risk of disruption as solicitation, such as soap box oratory, pamphleteering, distributing literature for free or even flag burning. . . . Under the regulation, a group may stage a political rally to call attention to the problem of drug abuse and draw hundreds, even thousands of persons to the area just outside the entrance to the Post Office. . . . But since there is a categorical ban on solicitation,

the group would be unable to ask a single member of the public for a contribution to advance its cause.

"Some postal patrons may thank the Court for sparing them the inconvenience of having to encounter solicitors with whose views they do not agree. And postal officials can rest assured in the knowledge that they can silence an entire category of expression. . . . Perhaps only three groups of people will be saddened by today's decision. The first includes solicitors, who, in a farce of the public forum doctrine, will henceforth be permitted at postal locations to solicit the public only from such inhospitable locations as the busy four-lane highway that runs in front of the Bowie Post Office. The next to be disappointed will be those members of the public who would prefer not to be deprived of the views of the solicitors at postal locations. The last group, unfortunately, includes all of us who are conscious of the importance of the First Amendment."

Electric grid seen as open to terrorists

A Congressional Office of Technology Assessment report released June 28 entitled "Physical Vulnerability of Electrical Systems to Natural Disasters," described the U.S. electrical grid as vulnerable to terrorist attack and sabotage.

In 1983, the head of the North American Electric Reliability Council stated that the utilities had been asked by the National Security Council to set up a nationwide security system after several foreign terrorist attacks against the U.S.

In February 1989, the Department of Energy warned in testimony before the Senate that "The Soviet Union has an unconventional warfare capability, spetsnaz units, to which it has assigned the mission of crippling the West's industrial infrastructure, particularly its vulnerable energy systems, before an outbreak of hostilities.

"Although the main spetsnaz target appears to be Western Europe, the potential for such action in the United States cannot be ruled out," the DoE said.

Briefly

● **FBI DIRECTOR** William Sessions has ordered a review of the Bureau's psychological analysis unit, after its conclusion that Petty Officer Clayton Hartwig had caused the explosion on the battleship Iowa were shown to be absurd. Congressional investigators discovered that the cause of the blast was almost certainly accidental.

● **WALTER MONDALE** damned George Bush with faint praise for having "the courage to change his mind on taxes," in a commentary in the July 3 *New York Times*. "George Bush was not quite leveling with the public. But now George Bush, the President, has begun to learn the difference between campaigning and governing," Mondale said.

● **THE FEDERAL** Election Commission will prepare rules to ban U.S. companies with 50% or more foreign ownership from organizing political action committees to curb their political activities. But the U.S. is demanding that U.S. companies in Europe be treated as European entities.

● **EARTH FIRST!**, ist group, won an okay from U.S. District Judge Charles Lovell on July 5 to meet on federal park lands. Lovell said "tree-spiking and other acts of sabotage . . . are serious crimes" which ought to be prosecuted, but "speculation that these crimes might be committed" could not justify setting aside the permit.

● **BISHOP** Rene Gracida of Corpus Christi, Texas, has issued a formal decree of excommunication against Rachel Vargas, director of a Texas abortion clinic. "The value of human life must always be protected in the Christian community and society at large," the Bishop said.

● **NELSON MANDELA'S** tour of the U.S. has been a major financial success, raising \$1.7 million for the head of the African National Congress on June 30 in Los Angeles alone.