

# National News

---

## FDIC files lawsuits against accountants

The Federal Deposit Insurance Corp. has filed 21 lawsuits against public accounting firms which audited the books of failed savings and loan institutions.

Under its new policy of going after the providers of professional services to failed thrifts, the FDIC is seeking \$1.5 billion in damages. Over half of the suits have been filed against the "Big Six" accounting firms, the *Washington Post* reported Aug. 4.

---

## Va. governor reveals \$1.4 billion deficit

Virginia Democratic Governor, L. Douglas Wilder, announced Aug. 1 a state deficit of \$1.4 billion, calling it the worst budget crisis since World War II.

Wilder blamed the shortfall, out of a \$26.4 billion two-year state budget, on a slowing state economy, defense spending cuts, "soft" business revenues, and overly optimistic revenue forecasts.

Virginia congressional candidate Lyndon LaRouche commented on Aug. 3, "I wish to commend the governor for being forthright in this matter, at a time when many Nervous Nellies, from the White House on down, are covering up one disaster or another, trying to hide today what they will not be able to hide tomorrow.

"But, the fact remains, that I've been warning of precisely this development, not only as a national development, but in the Northern Virginia region, where it's hit the hardest over the past years. I warned exactly of this in some detail, in October and November of 1987, when I told people what the effects of the financial crisis of October 1987, would be. I warned of this again, and again.

"If people had paid a little more attention to what I've been warning, they wouldn't have been caught by surprise. Also, if people had been paying attention, not only to what I was warning, but what I was proposing as a solution, we wouldn't have so many

bankrupt banks, and other bad news hitting us right now," LaRouche said.

---

## Clean Air costs should spark revolt

If people knew that the Clean Air amendments will cost each household \$300-400 per year, "perhaps opposition would be sharper," writes Paul R. Portney, vice president and senior fellow at the Resources for the Future group.

A preprint of Portney's article, "Economics and the Clean Air Act," was released by the Clean Air Working Group, an industry lobby. The article, to appear in the *Journal of Economic Perspectives*, documents that the proposed clean air legislation will cost billions and return very little in real benefits such as cleaner air or prevention of pollution-caused diseases.

"By the year 2005 or so, the U.S. may be spending \$29-36 billion more each year on air pollution control than it is today. Annual benefits of the proposed changes probably range from \$6-25 billion. . . . If these estimates are even close to correct, Congress and the President are about to shake hands on a landmark piece of environmental law for which costs may exceed benefits by a considerable margin." Portney suggests that it might be better to target control efforts to specific cities instead of adopting a broad "scattergun" national approach.

---

## Gonzalez charges deaths covered up in Panama

Rep. Henry Gonzalez (D-Tex.) the U.S. with engaging in a "sinister and deadly coverup" in Panama and has demanded a full investigation of U.S. military actions there since the December invasion.

"We have been conducting an unconstitutional twilight war in Panama," he said. "There is alarming evidence that our armed forces murdered hundreds more civilians in Panama City than the Pentagon has admitted," he said.

Gonzalez introduced a measure to the House floor on June 11 and has now placed it before the House Foreign Affairs Committee and the Select Committee on Intelligence. According to the Aug. 1 *San Antonio Express News*, this has put him into conflict with White House Counsel C. Boyden Gray, who said the President will refuse to make available to Congress the information Gonzalez wants, citing the "President's constitutional authority" to withhold information from Congress.

Gonzalez's motion calls on Bush to provide Congress with detailed information on: cash payments to Noriega; cash payments made to Noriega's successor, Endara; secret communications between U.S. intelligence and military and Panamanian police and military officials; and the number of Panamanian civilians killed in the invasion, including those buried in mass graves.

---

## Levit charges prosecutorial abuse

Attorneys for Keith Levit, a Maryland associate of political leader Lyndon LaRouche, have filed court papers charging prosecutorial misconduct by Maryland and Virginia law enforcement officers including Loudoun County, Virginia Sheriff's Lt. Don Moore. Levit was arrested for theft in July, without a specific crime ever being set forth.

The motion, filed in the Prince George's County district court states that nowhere in the charging documents does Greenbelt, Md. detective Carolyn McLean cite any facts which constitute a crime. Instead all the charging document states is that Levit "convinced" Miss Mary Norton to purchase literature and give contributions to Southeast Literature Sales.

The motion describes the outrageous conduct of the "Get LaRouche" strike force surrounding this case and asks for an evidentiary hearing to look into the conduct of the Anti-Defamation League, Moore, and various news organizations.

The motion states that even though the Greenbelt City Police detective began her investigation in 1988, Levit was not charged until December 1989, and was not arrested

## Briefly

● **MARION BARRY'S** case was declared a mistrial Aug. 10 after the jury declared itself hopelessly deadlocked on 12 of the 14 charges. He was found guilty of one misdemeanor and acquitted of another. The sticking point with many jurors was the blatant targeting by the Justice Department of the Washington, D.C. Mayor.

● **THE NATIONAL** Research Council of the National Academy of Sciences, demanded an "environmental" approach to forestry on the premise that "humans are not superior to the natural world, but depend on the biosphere for their existence," according to its July 30 press release.

● **TOM PAINE**, former NASA administrator and contributor to *21st Century Science & Technology* magazine, was appointed to Advisory Committee on the Future of the U.S. Space Program, Vice President Quayle announced Aug. 2. Paine headed the National Commission on Space which called in 1986 for a Moon-Mars mission.

● **JIM MATTOX**, the Texas Attorney General, has warned that he will prosecute any "price-gouging" in the gasoline market. Mattox put together a task force to investigate the price hikes of 5-9¢ a gallon which appeared at the pumps overnight.

● **HISPANIC BANKERS** called on President Bush to save the near bankrupt Pan American Savings Bank based in San Mateo, California, one of the largest Hispanic banks in the U.S., in an ad in the *New York Times*. A bank lawyer said his client should get the "same type of special treatment" as the Spotted Owl.

● **CHICAGO'S** West Side was pitched into darkness the weekend of July 28-30, after a Commonwealth Edison transformer exploded. The blackout over 14 square miles prompted looting, according to police.

until July 1990. In June of 1989, Detective McLean obtained a grand jury subpoena seeking loan records from another LaRouche associate, even though these records had nothing to do with the Maryland investigation. Virginia authorities, however, were seeking the same records at that time. Now the supporting affidavit for that subpoena is missing from the Maryland file.

The motion states that Detective McLean improperly coordinated her investigation and arrest of Levit with Mira Lansky Boland of the ADL and with the TV news program "Inside Edition," which sent cameramen to film Levit's arrest.

### U.S. Attorney denies convict right to counsel

A Washington, D.C. defense attorney has been told by the office of U.S. Attorney Jay Stephens that her imprisoned client has no Fifth or Sixth Amendment rights.

The brazen statement was made to defense attorney Diane Lepley, who called the office of Jay Stephens to complain about the fact that her client was illegally questioned by prosecutors seeking information in the Rayful Edmond drug case. The government contacted the prisoner and demanded that he comment about matters concerning his involvement in a conspiracy for which he had already been convicted.

When his attorney contacted the Justice Department to complain about the incident, she was told that her client "had no Fifth Amendment right to remain silent—nor did he have Sixth Amendment right to counsel." Stephens's office claims that they are following guidelines promulgated by Attorney General Richard Thornburgh, which support that view.

### Expert on satanism warns of Process Church

Sergeant Edward Pearce, a law enforcement expert on satanism with the Warwick, Rhode Island Police Department, warned of

the danger of the Process Church of the Final Judgment in the United States, in an interview in the Aug. 2 European daily, *The Scotsman*.

Pearce, who is described as one of the first of a growing number of law enforcement experts on the links between satanists and crime, reports that he has links with many police departments inside the U.S. who are having people trained to deal with this problem. He is building up connections with the Royal Canadian Mounted Police and with police in Britain and other countries across the Atlantic, in order to shadow cross-border bonds between satanist cults.

"There are different levels of satanism," states Pearce. "The type of criminal involvement depends on what level is involved, from the experimentalist to the generational, national and international cults. One of the bigger ones is the Process Church of the Final Judgment, which sprang out of two groups in England and is very much a presence in America," Pearce said.

As previously reported by *EIR*, a key prosecutor of Lyndon LaRouche, former assistant U.S. Attorney John Markham, has long been closely tied to the Process Church.

### Bush a one-term President, says writer

Liberal columnist Richard Reeves of the Universal Press Syndicate, in a commentary in the Aug. 3 *International Herald Tribune*, writes that it is clear from the mood in the United States population—outside Washington D.C., where policymakers are out of touch—that George Bush will be a one-term President.

The real estate collapse is devastating, writes Reeves, especially as it intersects the S&L crisis. He says there will be "bank failures around the country," as a result of mortgage foreclosures and a lack of buyers for houses. Reeves recalls that Bush had warned America's population that the country would do badly if a Democrat were elected, but now it is 1990, and the country is doing as badly as Bush warned—under his administration. "It's not his year," Reeves writes.