

National News

Lloyd's U.S. victims to get their day in court

In a significant victory for the United States, the Ninth U.S. Circuit Court of Appeals ruled on March 6, in *Richards v. Lloyd's*, that U.S. Names (as Lloyd's investors are called) have the right to sue Lloyd's of London in a U.S. court. The ruling overturned a lower court decision that the suit must be heard in English courts, arguing that the "in England under English law" forum-selection provisions of the Names' agreements with Lloyd's, violate U.S. securities laws and are thus null and void. The Names had the support of the Securities and Exchange Commission, which last year filed an amicus brief on behalf of the Names' position; the SEC General Counsel and four SEC lawyers attended the March 6 hearing, according to the American Names Association.

Until now, every suit by Names against Lloyd's has been dismissed by U.S. courts, because of the forum-selection clause. Finally, the Names will be able to try the case against Lloyd's on its merits, something Lloyd's has fought desperately to avoid.

Rural electric coops move to halt deregulation

In a full-page ad published in the *Washington Times* on March 4, the Electric Utility Shareholders Alliance (EUSA) kicked off a campaign to stop Congress from restructuring the electric utility industry. The Alliance, which represents more than 70 rural electric cooperatives, from Alaska to Georgia, reminds the Congress that federally mandated retail wheeling (the "power to choose," in Conservative Revolution-speak), will "harm the vast majority of electricity consumers in our congressional districts."

EUSA national chairman Bill Steinmeier, a self-described "free-market Republican," said that rural electric cooperatives fear that the proposed restructuring would "create serious threats to reliability, and lead

to price volatility." The cooperatives question "who or under what conditions anyone will be willing to build new baseload capacity when it's needed," he said.

The EUSA, which was established last August, has been soliciting the support of state and local groups to organize the shareholders of small utilities. The EUSA maintains that the "generation, transmission, and marketing of electricity is both affordable and highly reliable. . . . This has been made possible through vast expenditures of capital. Small shareholders, literally millions of ordinary Americans through their pension funds, mutual fund holdings, or as individual investors, have made these capital expenditures possible. These ordinary Americans have substantial personal interest in any federal debate concerning the electric utility industry."

Racist scam helped pass Arizona drug decrim law

The Goldwater Institute in Arizona, a British intelligence front, ran a racist deception operation to stampede the state's black voters into voting for the referendum that legalizes all illegal, Schedule I drugs, under the rubric of "medical use." The propaganda campaign to pass Proposition 200, like its California twin, Prop. 215, was heavily funded in last year's elections by the drug lobby's moneybags, George Soros.

The Goldwater Institute, one of the many "radical free trade" operations set up by the Institute of Economic Affairs in London, is chaired by John Norton, chairman of Arizona's Drug Policy Reform—i.e., legalization.

Accompanying Prop. 200 on the ballot was another proposition dear to the Conservative Revolution: Prop. 102, a purported anti-juvenile-crime measure that would try youthful offenders as adults. Playing on the understandable concern of black voters that such a measure would target mostly black youth, a series of community meetings was called by the Greater Phoenix Urban League, many of which were addressed by the Goldwater Institute's Sam Vaginnes. Vaginnes offered the argument that, if the black com-

munity supported the drug decriminalization measure, there would be less reason for the police to lock up their children.

While Goldwater's chairman Norton was backing drug decrim, Goldwater's president, Michael Block, had scripted the campaign to pass the racist "lock 'em up" Prop. 102 for Gov. Fife Symington. Then, during 1996, Symington hired Block as his justice adviser, at a reported salary of \$92,000, to help plan the implementation of Proposition 102. Both measures were passed, and Block has resumed his duties at the Goldwater Institute.

Dereg has left U.S. with fewer freight railroads

Seventeen years after the passage of the deregulation legislation purportedly aimed at "increasing competition," the consolidation of the nation's rail system reached another milestone on March 3, when Conrail's directors agreed to let the railroad be carved up and sold off in pieces to CSX Corp. and Norfolk Southern Corp. When that deal is completed, the United States will have only four major freight railroads, of which two, Union Pacific and Burlington Northern Santa Fe, will control 35.9% and 30.6% of America's track mileage, respectively.

In 1980, when railroad deregulation was passed, the United States had 17 major freight railroads.

Rabbi compares 'assisted suicide' to Nazi medicine

Testimony on the euthanasia practice known as "physician-assisted suicide," at a March 6 hearing of the House Commerce Committee subcommittee on health and environment, included a statement by Rabbi A. James Rudin of the American Jewish Committee, who was quoted by the *Richmond Times-Dispatch* as saying: "The legalization of assisted suicide . . . reminds me of the brutal excesses of the Holocaust when Nazi physicians carried out deadly experiments upon

the Third Reich's 'surplus population'— Jews, Gypsies, political prisoners, homosexuals, mental patients, and others." Boston's bishop, Cardinal Bernard Law also testified, asking: "Do we want a society where only the fittest survive? God help us if somebody else is defining who the fittest are."

The hearing was organized by Rep. Thomas J. Bliley (R-Va.) and others, who are introducing legislation which will ban any federal money for assisted suicide. The preceding week's decision by a federal appellate court, affirming Oregon's first-in-the-nation law permitting physician-assisted suicide, fueled the move to hold the hearing. That decision is under stay of enforcement pending appeals, and the Supreme Court is still considering the issue.

Ethics complaint against Kenneth Starr goes ahead

An ethics complaint against Whitewater special prosecutor Kenneth Starr is being referred to the chief judge of a federal court in Washington, D.C. The complaint, one of a number filed by Francis Mandanici, a public defender in Bridgeport, Connecticut, was filed with the Committee on Grievances of the U.S. District Court, which reviewed it and referred it to Chief Judge John Garrett Penn, and also to Judge David Sentelle, who heads the panel which appointed Starr in the first place. In 1994, Mandanici filed a complaint against Sentelle for Sentelle's own conflicts of interest in the firing of the previous independent counsel and replacing him with Starr.

The March 7 *Washington Post* quoted Joseph diGenova, the chairman of the grievance committee (also a Republican and former U.S. Attorney for D.C.), as saying that the referral means very little, because Mandanici's charges fall outside the committee's jurisdiction. But Mandanici told *EIR* that that diGenova is just "blowing smoke." Mandanici said that the grievance committee screens such complaints, and if they find a complaint to be sufficient on its face, they investigate it and then forward it to the chief judge. Mandanici added that diGenova should not even be involved, because he has

been giving frequent television interviews about Starr and Whitewater.

Mandanici recently supplemented his complaint, adding the fact that Starr is taking a position at Pepperdine University, funded by Richard Mellon Scaife, who has also financed the black propaganda side of the "Get Clinton" operations in the press. Mandanici told *EIR* that Starr's salary from Scaife is a "hard-core conflict of interest." If a witness is paid, Mandanici said, it is called "hush money." He added: "Starr is taking money from someone who has an interest in Whitewater—not to hush it up, but to keep it going."

Inslaw trial against DOJ begins in federal court

On March 10, the Inslaw trial began at the U.S. Court of Claims in Washington, D.C. The case was referred to the Claims Court as the result of a private bill that passed Congress several years ago. Under the private bill provisions of the law, a Claims Court judge will hear the evidence regarding Department of Justice (DOJ) theft of Inslaw's proprietary software, *Promis*, and will rule on the evidence in the case. No technical grounds for dismissal are allowed, and Inslaw, in return, does not have the right to appeal.

The crux of the case is that, in the early 1980s, the DOJ purchased one copy of Inslaw's case-management software, *Promis*, and then copied and widely circulated the software to other government agencies, as well as to foreign governments and private institutions. Over the years, Inslaw President Bill Hamilton developed evidence that, along with Justice officials like Ed Meese and Lowell Jensen, other "Bush-leaguers" like Oliver North, became involved in the *Promis* theft and re-sale, perhaps to raise funds for the Contra and similar dirty operations.

When Janet Reno became Attorney General, she sided with the DOJ permanent bureaucracy and refused to order a serious review of the Inslaw case, effectively stepping in to cover up for past crimes of the DOJ "old boy" apparatus and her predecessors.

BUREAU OF LABOR Statistics Commissioner Katharine Abraham is in hot water with the Republican Senate chartered "Boskin Commission" mandated to study lowering the Consumer Price Index. Abraham refuses to fudge the CPI inflation figures to the commission's liking. The purpose of lowering the CPI would be to cut the cost-of-living adjustments for wages, Social Security benefits, pensions, and other entitlements.

ALABAMA became the third state in which a proposal to tax securities transfers has been introduced. In early March, Rep. Thomas Jackson (D-Thomasville) filed the Alabama Securities Transfer Tax Act, which calls for a 1% tax on the face value of securities, bonds, stocks, and various derivatives instruments, when they are transferred in the state. Jackson's legislation is modelled on Pennsylvania's House Bill 393, introduced by Rep. Harold James of Philadelphia. A similar bill was introduced in New Hampshire last month.

THE DEPARTMENT of Energy has established a task force to examine the technical, institutional, and policy questions surrounding electric reliability issues, in the wake of the multi-state blackouts last summer.

THE NEW YORK TIMES howled that President Clinton's harsh stance against drug legalization, under the guise of medical use is "a dangerous and unwarranted interference with free speech and a patient's right to hear the truth from a doctor," in its lead editorial on March 6.

HOWARD UNIVERSITY students occupied an administration building to protest a course designed by the Anti-Defamation League of B'nai B'rith (ADL) on March 6. Howard, in Washington, D.C., is one of the nation's leading black universities. The ADL has never repudiated assertions made at its 1991 annual conference by Leonard Dinnerstein that educated blacks are "naturally" anti-Semitic.