

National News

Savings execs fight government railroad

Two former savings and loan institution executives have launched legal actions against the Federal Savings and Loan Insurance Corporation (FSLIC), which challenge government attacks on the industry and efforts to reorganize the U.S. banking system.

Stanley Adams, former chairman of the Lamar Savings Association of Austin, Texas, filed a civil action in the Western District of Texas against the reconstituted Lamar Financial Corporation and the FSLIC, charging them with a conspiracy to destroy him and the S&L through actions described in the suit as "arbitrary, irrational, offensive" and which "were undertaken willfully and intentionally in violation of Adams' constitutional rights."

Thomas Gaubert, former chairman of the board of Independent American Savings Association, was given the right by the Fifth Circuit Court of Appeals in New Orleans to sue the Federal Home Loan Bank Board, the Federal Home Loan Board-Dallas, and the FSLIC to recover \$25 million lost when Independent was forced to merge with a failing thrift, Investex Savings, in 1984, and was declared insolvent. Gaubert had been forced to sign a personal guarantee that the net worth of Independent would not fall below minimum regulatory requirements prior to the closing of the merger, which was delayed due to a federal investigation of another S&L owned by Gaubert.

What C. Boyden Gray does with his money

White House Counsel C. Boyden Gray has been funding Democrats and pro-Equal Rights Amendment and pro-abortion political action committees, while serving as counsel to George Bush, the *Legal Times* revealed Oct. 31.

Federal Election Commission records reviewed by the *Legal Times* reveal that Gray gave \$2,600 to Sen. Timothy Wirth

(D-Colo.), an old Harvard classmate, who has led the campaign against the Strategic Defense Initiative in the Senate. Gray supported Sen. Frank Church (D-Id.) in his losing race against Republican Steve Symms. And in 1978, Gray backed Democrat Charles Ravenal in a losing bid to unseat Sen. Strom Thurmond (R-S.C.).

Gray began contributing to the Women's Campaign Fund in 1978. In 1983, while counsel to Bush, he contributed \$5,000, the maximum amount allowed under federal law. The most recent contribution listed in FEC records was \$1,000 in 1987. The organization describes itself as "the only political action committee devoted solely to recruiting, funding, and helping elect viable women candidates who favor passage of the Equal Rights Amendment and freedom of choice on abortion." Jane Danowitz, the executive director, says that the fund also supports public funding for abortion.

The fund is currently supporting former San Francisco Mayor Dianne Feinstein and Texas State Treasurer Ann Richards, who are running for governor of California and Texas, respectively.

Court upholds ban on AIDS testing

The U.S. Supreme Court let stand a landmark ruling on Oct. 30 which had barred as unconstitutional, mandatory AIDS testing for employees at state facilities for the mentally retarded. The Bush administration had urged the court to reject the appeal.

The court's action grew out of a case in Nebraska, in which a state agency had ruled that workers who have close contacts with the residents of such facilities be tested for AIDS and Hepatitis B. The agency said that such testing was necessary to protect the health of mentally retarded patients.

A federal appeals court ruled last February that the testing was unconstitutional. The state agency then appealed to the Supreme Court, asking it to decide whether an employee's right to privacy outweighed the government's interest in a safe working environment for employees and patients.

Supreme Court to decide LTV case

The Pension Benefit Guaranty Corporation (PBG), a quasi-government agency which insures pension plans, is appealing to the U.S. Supreme Court to overturn lower court rulings exempting LTV Corp. from responsibility for pension programs. The PBGC argues in its brief that an LTV victory will transform the agency into an "open-ended source of industry bailouts," the *Wall Street Journal* reported Oct. 31.

When LTV declared Chapter 11 bankruptcy in 1986, it terminated three LTV Steel pension plans in order to keep the agency's insurance liability from increasing. A few months later, LTV instituted a new pension program to provide benefits similar to the terminated plans. The PBGC viewed the new plan as an abuse of federal pension law, and ordered LTV to resume funding and liability for the terminated plans, including covering the \$2.3 billion shortfall. LTV won both its challenge and the appeal in court.

Pickens blamed for Phillips explosion

Corporate raider T. Boone Pickens was blamed for the Oct. 23 Phillips Petroleum explosion in Pasadena, Texas, in an article in the Oct. 29 *Houston Post*.

Columnist Joseph A. Kiney wrote, "Already, the Occupational Safety and Health Administration has an investigation under way. Unfortunately that investigation is not likely to yield much fruit because OSHA inspectors will not talk to the right man: T. Boone Pickens." In 1984-85, Pickens, head of Mesa Petroleum, led a raid on Phillips, forcing the company into a huge stock buy-back scheme. This in turn forced Phillips to lay off 10,000 of its 25,000 employees, most of whom were in middle and lower management. Among those employees terminated were safety and maintenance engineers.

In recent months there have been explo-

sions and loss of life in petroleum industry-related accidents in Richmond and Torrance, California; Indiana; and the Gulf of Mexico, all of these incidents involving small companies.

Government data show that workplace injuries have been increasing since 1984. The number of permanent job disabilities has increased from 60,000 to 70,000 a year, according to a recent report.

Orthodox Jewish group attacks euthanasia

Agudath Israel, the leading Orthodox Jewish advocacy group, has filed an *amicus curiae* brief with the Supreme Court, opposing euthanasia in the case of a brain-damaged patient, Nancy Cruzan. Cruzan's parents sought to kill her by removing nourishment, but a Missouri court ruled to prevent the murder.

David Zwiebel, general counsel and director of government affairs for the group, says this case is particularly important because it is the first time the Supreme Court will address the value to society of life, and its voluntary and involuntary termination.

"It is a basic principle of Jewish law and ethics that man does not 'own' his own life or body. We believe that the teaching as expressed in the general disapprobation of suicide and euthanasia has served as one of the pillars of civilized societies throughout the generations," Zwiebel told the press. The notion that diminished levels in quality of life deserve diminishing levels of life protection is particularly troubling he said. "Only half a century ago, our numbers were decimated by a society that 'progressed' from its 'enlightened' practices of 'mercy killing' to the mass slaughter of millions of human beings deemed physically or racially inferior."

The two major arguments in the brief are: 1) even were it clear that the patient herself did wish to have nutrition and hydration halted, the state's interest in preserving human life outweighs the individual right to refuse medical treatment; and 2) any right a patient may have to refuse medical treatment is inherently personal and there is no

constitutional authority forcing a state to allow a third party to exercise a right of refusal on behalf of an incapacitated patient.

The Agudath Israel brief declared, "The Court's decision will set standards and guidelines that will have ramifications far beyond the individual patient whose life hangs in the balance here. Many, many lives will be affected by the Court's decision—and so too will the general moral health of American society. The choices before the Court are stark; the issues to be decided, profound; and the stakes enormous."

Judge orders discovery in PANIC frameup case

Los Angeles Judge Michael Hoff ordered the California Attorney General's office on Oct. 27 to allow attorneys for defendant Bruce Kilber access to 12 boxes of "AIDS Initiative Investigation" materials seized by the Attorney General. The defense victory on the discovery motion is the first check to the witchhunt by Attorney General John Van de Kamp against organizers of the Prevent AIDS Now Initiative Committee (PANIC), which placed an anti-AIDS initiative on the California ballot in 1986.

Judge Hoff stated that he was issuing the order based on the "potential for invidious prosecution" against Kilber, and that the case addressed "strong constitutional issues" which involved the individual's rights regarding the electoral process, "and that is what this country is all about." He also stated that in his 12 years on the bench, he had never heard of anyone being prosecuted under the statute under which Bruce Kilber was indicted—illegally registering to vote, with the intent to leave the state.

Deputy District Attorney Kenneth Freeman, in opposing the motion, charged that the defense had "other motives," that there is "no evidence of selective and vindictive action," and therefore that Kilber should be denied discovery. Kilber's attorney shot back, "If there is evidence of other motives, produce the evidence. Where are your papers?"

A status conference on the motion is set for Dec. 1.

Briefly

● **GEORGE BUSH** said the "economy keeps moving reasonably well," in a *New York Times* interview Oct. 24. "If you had a more difficult economic situation, then I think you'd have a more urgent feeling. Today it's not urgent."

● **VINCE DEMUZIO**, Illinois Democratic Party chairman, has established a "LaRouche hotline," the *Chicago Sun Times* reported Oct. 30. "In 1986 two LaRouche candidates won upset primary victories and spoiled the gubernatorial bid of 'Saddy' Adlai Stevenson to unseat Governor Thompson."

● **JOHN POINDEXTER**, former Reagan national security adviser, can subpoena the private papers of Ronald Reagan and renew his request for Bush's, Judge Harold H. Greene decided Oct. 24.

● **A CARTER** administration reunion will be hosted in Washington Nov. 4-5, the *Washington Post* reported Oct. 31. A "town meeting" will be held at Georgetown University followed by a symposium on "Waging Peace" at the Dirksen Senate Office Building.

● **JIM BAKKER** will be assigned to the Rochester, Minnesota federal prison facility, the current location of Lyndon LaRouche. AP reports that the televangelist, who was sentenced to 45 years, is not being assigned for medical reasons, but will be in the general prison population.

● **SEN. JOE BIDEN** (D-Del.) apologized for underestimating the importance of the Soviet radar facility at Krasnoyarsk, on a television talk show Oct. 29. "So I was wrong. *Mea culpa, mea culpa*. So what else do you want to talk about?" he snapped. Soviet Foreign Minister Shevardnadze had just admitted the facility violated the ABM Treaty.