

National News

Hospital says patients on life-support must go

Despite President Clinton's promise of \$364 million in federal funds to sustain its bankrupt health care system, Los Angeles County has decreed that 17 comatose and semi-comatose patients must be evicted from the Rancho Los Amigos Medical Center. The nursing facility housing the patients—many of them on life-support systems—was scheduled to shut down Oct. 1.

Pleas from families of the patients, for more time to find another place for them, had fallen on deaf ears. Spokesmen for the county insisted that "there will be no staff at this facility as of Oct. 1," the *Los Angeles Times* reported Sept. 26. Los Angeles County officials charged that some families were obstructing efforts to shift the patients to alternative facilities.

New British ambassador an old hand against SDI

Sir John Kerr, recently installed as Britain's ambassador to the United States, made his debut as a key player in Washington in 1984, according to a fawning review in the *Washington Post* on Sept. 26. A young embassy counselor at the time, Kerr was tapped by then-Prime Minister Margaret Thatcher to accompany her to an important meeting at Camp David with President Reagan.

The British objective at the meeting was to undermine the U.S. commitment to the Strategic Defense Initiative (SDI)—the policy designed by Lyndon LaRouche which President Reagan officially adopted in March 1983. "For the British, it was an important moment," the *Post* says. "The Europeans feared that if the United States developed such an anti-missile defense, so would the Soviet Union. The combination would render Britain's own nuclear deterrent irrelevant."

The *Post* account omits, of course, both LaRouche's authorship of the policy, and President Reagan's declared intention to

eliminate the doctrine of Mutually Assured Destruction—the evil British geopolitical scheme spawned by Bertrand Russell.

The *Post* trots out claims that Kerr produced the draft which shaped the joint communiqué from the meeting, declaring that the SDI's "overall aim is to enhance and not undermine deterrence." The *Post* crows, "By slipping it directly to the prime minister, who handed it directly to the President, Sir John and his co-conspirators cut out the American subalterns, and further haggling."

His current mission has to deal with President Clinton's repeated rebuffs to British insistence on a "special relationship" with the United States. According to the *Post*, Kerr became "the world's leading expert" on the 18th-century finances of the British East India Company, during his stint at Oxford.

Reich says pension grab tops Jesse James raids

Secretary of Labor Robert Reich on Sept. 27 attacked the proposal of House Gingrichites to eliminate safeguards against looting private pension funds. "With the change in the law," Reich declared, "we are going to see raids on pension assets that will make the train robberies during the days of Jesse James pale in comparison. . . . This is a pension grab, and we will not stand for it."

Reich also chairs the Pension Benefit Guaranty Corp., which insures private pension funds in America. His agency released a report Sept. 27 which drew upon the lessons of Wall Street's banditry during the 1980s, to warn of the future collapse of workers' pensions if the Gingrich scheme becomes law.

The report notes that "pension funds were used in two-thirds of the largest buyout transactions in the 1980s." Examples include Union Carbide, which took \$504 million from its pension trust to avoid a hostile takeover; United Air Lines, which took \$370 million in 1985 from pension plans which are now underfunded by over \$1 billion; and the Enron Corp., the Houston oil and gas company closely tied to James

Baker III and George Bush, which removed \$232 million from its pension plan in 1986.

The 1986 takeover of the Pacific Lumber Company by the Maxxam Group—a model for the sort of robbery the Gingrich gang is planning—is also highlighted in the Reich report: "Pacific Lumber was a takeover target in part because it had a well-funded pension plan. After the takeover, Maxxam terminated the plan and took a reversion of over \$50 million to pay off debt associated with the leveraged buyout. Maxxam purchased annuities for its participants in its terminated plan from the Executive Life Insurance Co. Executive Life later failed, leaving Pacific Lumber workers facing reduced annuities."

Maxxam chief Charles Hurwitz, as *EIR* reported in 1991, was notorious for "his long trail of worthless junk bonds, and his unusual dealings with such figures as Carl Lindner and Mark Rich, the crony of Henry Kissinger who is now a tax fugitive in Switzerland." Maxxam financed its leveraged buyout of Pacific Lumber with \$660 million in junk bonds, out of a total purchase price reportedly around \$850 million. It also controlled the Executive Life Insurance Company.

Wall St. junkies still as 'thick as thieves'

Former junk-bond king Michael Milken will be paid \$50 million for acting as a "consultant" to Ted Turner, in the \$7.5 billion purchase of Turner Broadcasting System by Time Warner, the *Wall Street Journal* claimed Sept. 29. The \$50 million earmarked for Milken is several times more than the fee slated for Turner's official financial adviser in the deal, Crédit Suisse First Boston—and is five times larger than what Time Warner is paying its own financial adviser, Morgan Stanley & Co.

Following Milken's conviction for swindling on a scale above and beyond the official norm, the Securities and Exchange Commission issued an order in March 1991, barring him for life from "association with any broker, dealer, investment adviser, investment company, or municipal securities

dealer." To circumvent the SEC order, Turner Communications hired the Atlanta law firm of King & Spaulding, to ensure that Milken could act as a "consultant" rather than as a "financial adviser."

According to the *Journal*, Wall Streeters believe that Ted Turner "is bending over backward to go out of his way to give something back to Mike." In 1986, Milken and his firm, Drexel Burnham Lambert, financed Turner's \$1.5 billion purchase of MGM/UA Entertainment Co., by selling \$1.4 billion in junk bonds.

Clinton denounces GOP's 'outrageous' health cuts

In his weekly radio address Sept. 30, President Clinton said that budget cuts proposed by congressional Republicans contain "outrageous provisions," which threaten "the dignity of our senior citizens" and jeopardize the nation's health care system. The Senate Finance Committee had just slashed \$270 billion from Medicare assistance for the elderly, and \$182 billion from Medicaid for the poor.

"These cuts are way, way too much. They are far, far more than the health care system can handle," Clinton declared, adding that they would end the national commitment entitling elderly Americans to quality health care, regardless of their income. The President said the plan would also deny nursing home care to 300,000 senior citizens who are currently eligible, as well as cutting off home care services to an additional 300,000.

Worse yet, he said, the House Republican proposals would eliminate all national standards for nursing homes—and force spouses whose loved ones need nursing home care, to sell their cars, furniture, and even their homes, to qualify for any benefits. "Who wants a Medicaid police with vast power to seize your assets, and put you out of your home and make sure you have nothing left to pass on to your children?" Clinton demanded to know.

"I don't think it should be a precondition that if a husband has to go into a nursing home, his wife has to go into the poorhouse.

... Congress should strip these outrageous provisions from the budget bill. They're inconsistent with our core values. They are not what America is all about, and they are certainly not necessary to balance the budget," the President declared.

Teaching reforms flunk out in California study

California's so-called "whole language" project, which eliminated traditional methods of teaching elementary-school students how to read, has been judged a colossal failure. A state task-force evaluation, quoted by the *Los Angeles Times* Sept. 13, declared, "There is a crisis in California that demands our immediate attention," and warned that unless reading is taught differently, "we will lose a generation of children."

The 27-member task force was commissioned last spring by State Superintendent of Public Instruction Delaine Eastin, after California's student test scores finished dead last in the 1994 National Assessment of Educational Progress survey. The task force reviewed the controversial "reading and language arts framework" adopted in 1987—subsequently touted as a national model for "progressive" methods in reading instruction.

The "whole language" hoax asserted that children learn to read as naturally as they learn to talk, if enough "interesting" stories are read to them. The task force concluded that most children need to be systematically taught phonics, letter patterns, and other "decoding" skills—an approach that was almost eliminated in California after 1987.

The task force urged that recognition of letters and their sounds be taught beginning in pre-school; that class sizes be limited to no more than 20 pupils through grade three; and that remedial instruction by the best teachers be quickly provided for students who fall behind. The panel also recommended that reading instruction be made the first educational priority, and that more books be acquired for school libraries and classrooms.

Briefly

● **PHIL GRAMM** continues to sound more like a candidate for head warden than for President. On a recent campaign swing in Arizona, he again pledged to turn prisons into "industrial parks," where inmates would work full-time without such "frills" as air conditioning. Gramm said he would model America's jails on the Arizona system, which in June became the second in the nation to revive chain gangs.

● **MEDICARE** "savings" promised by Republicans are based on budget cuts and new regulations, and not on expanded "consumer choice," Georgetown University Prof. Judith Feder told the Democratic Congressional Caucus Sept. 27. The Republican scheme "also facilitates choice by insurance plans," she said; "that is, the opportunity to select the healthy and avoid the sick."

● **VICE PRESIDENT** Al Gore keynoted a World Bank conference on "Environmentally Sustainable Development" Oct. 4. He blamed science, technological progress, and the "population explosion" for the world's environmental problems, which he claimed were "manifestations of a deeper underlying collision between modern industrial civilization, as it is currently constituted, and the ecological system of the Earth."

● **'MODERN ART'** is unintelligible even to its leading promoters. The *New York Times* published a correction Sept. 23, reporting that a photo it had printed the day before of "a light sculpture . . . at the Guggenheim Museum SoHo, was inadvertently reproduced sideways. What appeared to be a wall at the left of the sculpture was actually the floor."

● **NEW YORK CITY'S** underfunded public schools were threatened Oct. 2 with a state takeover, by Democratic Speaker of the Assembly Sheldon Silver. With both the state and the city lying in financial ruin, however, many officials fear that further austerity will bury the last remains of what used to be the finest public school system in the country.