

Business Briefs

Urban Decay

Philadelphia mayor abandons tax plan

Mayor W. Wilson Goode of Philadelphia, after a disastrous effort to sell his tax increase plans in a series of town hall meetings, during which he was nearly tarred and feathered by angry citizens, has announced his intention to abandon the idea.

The mayor had proposed \$70 million in tax increases for the fiscal year beginning July 1. Goode now says he will go along with the his Tax Policy and Budget Advisory Committee, which has recommended "making the tough choices," and getting "back to basics" by "defining the limits of the city's responsibility," i.e., cutting back on funding for the homeless, children's programs, etc.

Meanwhile, just three blocks from City Hall, a splashy article in the *Philadelphia Daily News* reported, rats have overrun the 11th Street subway station. Accompanied by photos of rats, the article reported 27 rat-sightings on the subway platform in three hours. Apparently the most common rat in the subway tunnel is the brown, 12-inch-long Norway rat.

The city announced that it has signed a one-year, \$45,000 contract with a pest control firm to bait several miles of tunnels.

Euthanasia

Ohio lawmakers ready push to kill patients

With the help of the Ohio Catholic Conference, the Right to Life organization, the Ohio Medical Association, the American Association of Retired People, and the Ohio Hospital Association, legislators in Ohio hope to break the back of opposition to "living will" and "durable power of attorney" bills this year. There are several Nazi-style euthanasia bills before the House and Senate, which all use deceptive language to say that patients can be killed.

Hearings were held in the Judiciary Committee March 1 on Senate Bill 13, a

durable power of attorney bill. Under this license to kill, patients appoint relatives to make life and death decisions for them. It goes into effect when the patient has a "life-threatening condition," or once a single physician decides the patient is unable to make health care decisions for him or herself.

If the patient does not lose their life due to the fallibility of a doctor, they can lose it because of a physician's anti-life bias. A New Jersey patient, Nancy Ellen Jobes, was able to wiggle her left toes, move her right hand, and touch her tongue to her nose on her doctor's orders. Nonetheless, her family's physicians pronounced her a "vegetable" and she was starved to death.

Ohio's bill will murder patient's who do not even have a terminal illness. Kidney disease is life-threatening—if the patient does not receive dialysis, as is diabetes if the patient does not receive medication.

S.B. 13's sponsor is Sen. Rick Pfeiffer (D). Although the bill allows patient starvation, the Catholic Conference is also in support of it.

Meanwhile, a living Will bill, H.B. 56, also contains a durable power of attorney clause. H.B. 56 is being redrafted along the lines of Virginia's living will law, because in Virginia, it also received the endorsement of the Catholic Conference. Like the Virginia law, Ohio's H.B. 56 does not specifically mention patient starvation, but allows it. Another living will bill is expected to be proposed in the Senate.

Labor

Eastern Airlines out to break unions

Machinists and baggage handlers at Eastern Airlines walked off their jobs at midnight Friday, March 3, as *EIR* went to press. The union and company have been embroiled in acrimonious talks for two years centering on Eastern's efforts to force the International Association of Machinists into \$150 million in concessions.

Eastern is losing \$1 million per day on its operations. It lost \$462 million last year, in part due to the asset-stripping of Frank Lorenzo, whose Texas Air recently took over

Eastern, Continental, and other airlines. Lorenzo earlier tore up the union contract at Continental by declaring bankruptcy.

The union, IAM Local 796, and the AFL-CIO want President Bush to declare a national transportation emergency, forcing a 60-day cooling off period under binding arbitration. They are hoping that a case before the National Labor Relations Board will decide that Eastern and Continental are one company, Continental's machinists then joining the union, giving it more clout. The union is also hoping that the threat of secondary boycotts against airlines and railroads will force Bush to act.

The *New York Times* called upon Bush to emulate President Reagan's 1981 destruction of the air traffic controllers union, now by staying out of the situation. Lorenzo placed the editorial in the *Washington Post* as a paid advertisement.

Banking

Seidman seeks limit on brokered deposits

Federal Deposit Insurance Corporation (FDIC) chairman William Seidman testified in response to a question from a member of the Senate Banking Committee Feb. 28 that he would like to see limits placed on the use of brokered funds by both banks and thrifts.

Brokered deposits are deposits that a thrift or bank solicits from financial institutions such as Merrill Lynch. Such deposits are made up in \$100,000 blocks, so that each is fully government insured. The shakier the bank or thrift, the more likely it is to seek such deposits, and it pays higher interest for them than it does to the general public—much higher.

The funds themselves are suspect: *EIR* has received consistent reports that these deposits are used to launder drug money.

Banks currently must notify the FDIC if brokered deposits exceed 5% of total deposits. Seidman said he supports that part of the Bush administration thrift plan that would give the FDIC the authority to restrict brokered deposits to thrifts; he said he opposes that part which would allow the President to

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appoint or replace the chairman of the FDIC and institute an office of vice chairman of the FDIC which the President would also control—currently there is no vice chairman and the chairman is elected by the FDIC board.

Seidman also wants a legal limit on the total debt and other obligations the FDIC could issue—he proposed \$7 billion, of which about \$6 billion is already spent. He also wants to cut down the number of government agencies that can look at how his agency is working. In the name of paperwork reduction, he proposed that FDIC quarterly reports only be required to be sent to the Treasury.

In a subsequent letter to the committee, Seidman, according to a news account, “flatly stated . . . that ‘some regional banks and the vast majority of small banks’ shouldn’t be acquiring positions in leveraged buy-out loans.”

AIDS

Forecast 200,000 deaths in Britain

Some 200,000 men in younger age groups will die from AIDS during the next three decades in England and Wales, according to figures released by the Office of Population Censuses and Surveys. The office said that it must assume that, of the generation of men now 30 years old, 1.6% will die of AIDS, most of them by the age of 50.

The assumed numbers of dead each year due to AIDS will rise to about 13,000 by the late 1990s. The disease is likely to have killed 100,000 men by the end of the century. The office said it has made no direct allowance for any additional female deaths, because it is unclear to them whether AIDS will affect more than a small number of women.

Separate studies in the *British Medical Journal* found an AIDS infection rate of 1.6% in London among sexual partners of people in high-risk groups, and 0.2% for the rest of the 34,000 people who volunteered for testing. A second survey of heterosexual men and women tested anonymously at a London clinic for sexually transmitted diseases found that 1% were HIV positive.

Trade War

Mitterrand warns against protectionism

French President François Mitterrand, in discussions with Japan’s Prime Minister Noboru Takeshita in Paris, has warned of a “dangerous atmosphere” of protectionism among the industrialized nations.

The remark came during a discussion on the Group of Seven economic summit of industrialized nations set for July in France.

“There is a dangerous atmosphere where every country is ignoring its own protectionist policies and criticizing those of other countries,” he continued. “It is like an aria in an opera.”

Mitterrand also suggested that the summit nations should discuss economic development and Third World debt, in addition to the traditional economic topics like trade and currencies.

Energy

Seek ban on Soviet U-235

A bill to prohibit purchase of Soviet enriched uranium by U.S. utilities was introduced in Congress by Rep. Marilyn Lloyd (D-Tenn.) Feb. 22. She argued that purchases of Soviet enriched uranium would “result in a further financial burden” on the U.S. Uranium Enrichment Program and “impair the ability of such a program to continue to operate.”

She continued, “In its desperation for hard currency . . . the Soviet Union does not operate its uranium enrichment business on the principles of a free market society. They offer their enrichment services at a discount from whatever level is established as the price of enrichment services in the United States.

While this may be beneficial for the short term to purchasers . . . in the long term it is detrimental to the national security and other interests of the United States.”

● **AIDS** is spreading slowly but menacingly in the northern Thailand tourist paradise of Chiang Mai. More than 200 people have been found to be carriers. The provincial Public Health Office has organized a two-day meeting with the owners of 90 brothels and hotels, in an attempt to prevent an epidemic. According to Bangkok’s *Nation* Feb. 25, 70% of the 208 found with the virus were prostitutes.

● **THE JAPANESE** government has quietly directed its oil firms to reduce the amount of oil they import from Iran by one-third, beginning in April. The decision is related to the Salman Rushdie affair.

● **ETHIOPIA** is experiencing a meningitis epidemic, which has already killed thousands. The strain of meningitis is particularly virulent, killings its victims within 18 hours.

● **BANK BOARD** officials hailed figures on net deposit outflows from savings institutions for the first 20 days of February as a sign of “restored confidence” in the U.S. thrift industry. Whereas the January outflow was \$7 billion, through Feb. 20, it was \$5.2 billion—not much better.

● **BANK OF NEW YORK** will sell five banks in New York to Midlantic, a New Jersey bank holding company, for \$291 million. The five are Central Trust of Rochester, Merchants National of Syracuse, Endicott Trust of Endicott, Union National of Albany, and First National of Moravia.

● **THE VENETIAN** insurance giant Assicurazioni Generali has gained control of MIDI, France’s largest insurance firm, in alliance with Claude Bebear, leader of the French group AXA. Together, they have 28.6% of MIDI’s shares. Bebear told the press that he plans to challenge the American and Japanese insurance giants. “Our dream is to build a big worldwide insurance group.”