

National News

Jersey City mayor blasts Bush, FBI

Jersey City Mayor Gerald McCann, who was indicted July 22 on fraud and tax charges, promptly called a press conference to denounce the Bush administration and the FBI for carrying out a political vendetta. "These charges are made against me by the Republican Party to cover up that the Bush family is involved in massive corrupt banking activities around the country," he asserted. McCann accused prosecutors, including U.S. Attorney Michael Chertoff, of waging a two-year vendetta against him, as a reprisal for his having exposed an abortive FBI "sting" targeting him and several other New Jersey Democrats. "As soon as I made charges against the FBI, they started an investigation into my tax returns," which led to the current indictments.

The mayor charged the prosecution was part of a nationwide effort to discredit Democrats following the scandal surrounding Neil Bush's involvement in the Silverado savings and loan fiasco.

Congressman attacks negligence toward cholera

"The cholera epidemic is a product of human negligence . . . all of us are responsible," said Rep. Robert Torricelli (D-N.J.), who chairs the House Subcommittee on Western Affairs, at a conference on cholera organized by the North-South Center at the University of Miami on July 8.

Torricelli said that "poverty, unsanitary conditions, and lack of clean water, are three important factors that have produced this devastating epidemic. We have deviated resources to other things, and we have left alone that which is most important, the first responsibility of the government is to take care of the health of its citizens."

He said the U.S. is threatened by cholera, and that "we are before a problem more

serious than any other." He concluded, "I wish that the government learns and listens. The remedy is obvious and the resources are abundant. But we need to hear suggestions and not stop to look for a high quality of life, but we need to defend life itself, which is endangered."

Norfolk citizens angry at bread and circuses

On July 10, election officials in Norfolk, Virginia certified petitions seeking to revoke \$4.7 million authorized by the Norfolk City Council for the construction of a new downtown stadium to house the Tides, the New York Mets' Triple-A farm team, and an adjoining maritime tourist attraction.

The fight comes as Norfolk has begun to impose stringent austerity. The city's budget shortfall has resulted in layoffs of 80 teachers, a citywide pay freeze for all municipal employees, and a cutback of trash collection to once a week. Norfolk has also imposed mandatory water rationing as a result of the summer drought and the failure to construct any water projects over the last 20 years. The city was forced to repeatedly close schools in early June, as most facilities still lack air conditioning. Yet despite such lack of infrastructure, city officials are concentrating on "post-industrial" tourist attractions.

The petition drive has been a grass roots effort, as civic groups, police and teachers' unions, and civil rights activists banded together to "fight city hall." If the city council fails to repeal projects, a citywide referendum is expected in the fall.

Court rules Medicaid underpays hospitals

U.S. District Judge Thomas Zilly in Seattle ruled July 11 that the Washington State Medicaid program violates federal law by shortchanging hospitals who treat the poor. The ruling may affect state payments to hospitals nationwide. Last year, the U.S. Su-

preme Court ruled that that hospitals did have the right to sue for reasonable payments, but the decision is the first to address what is a reasonable payment rate.

Under Medicaid, the federal government matches what the states pay hospitals for serving Medicaid patients. But in the suit filed by 10 not-for-profit hospitals, Zilly found that Washington pays only about 79% of the actual costs incurred and only fully pays the costs involved about 12% of the time. Low reimbursement rates force hospitals to shift the costs of caring for Medicaid patients to paying patients and to borrow money to stay solvent.

Zilly found the state violated the federal law that requires state payments to be "reasonable and adequate" to cover costs incurred by "efficiently and economically operated" hospitals. The judge scored the state's argument that all the hospitals in Washington State were not efficient and therefore received lower payments. Zilly said the state wanted to cut costs and simply dodged its federally mandated responsibility to pay Medicaid costs to efficient hospitals.

At least a dozen similar suits by hospitals against states are now pending.

Mosbacher refuses to adjust 1990 census

Commerce Secretary Robert Mosbacher refused to adjust the 1990 census count on July 15 despite a 7-2 recommendation by a Census Bureau steering committee and the bureau's director to add 5.3 million people to the 248.7 million figure originally tallied. The decision hurts big cities in populous states in terms of electoral representation and federal funding.

The 5.3 million undercount is generally comprised of urban poor who traditionally vote for Democrats and account for above-average allocation of federal monies, which will now be "saved" by the federal government. It also means that the 1992 elections will be based on the original figures that are more favorable to Republicans. Mosbacher brazenly said he decided against the adjustment "because it could open the door to po-

litical tampering in the future," the *Washington Post* reported.

Census Director Barbara Bryant reportedly told Mosbacher, "I believe that statistical adjustment, while far from a perfect procedure, will on average increase the accuracy of the 1990 census. There remains 2% of the population who cannot be reached by enumeration efforts."

Cities and states are immediately reviving a federal court action to have the undercount reversed.

Regulations proliferate under Bush administration

The Bush administration has created a regulatory explosion that is costing tens of billions of dollars and wrecking private industry, according to a study by Melinda Warren of the Center for the Study of American Business at Washington University in St. Louis.

The study concludes: "Whether measured in current dollars or 'real terms,' federal governmental spending on regulation is at its highest level in history and rising rapidly. Perhaps more important . . . is the record number of people required to run the regulatory activities of the federal government. After a dramatic reduction in force in the early Reagan years . . . the regulatory personnel count is eclipsing the 1980 high-water-mark (121,670)."

The biggest reason for this regulatory explosion, according to Warren, is that "environmental regulation has grown at an astounding rate . . . now comprising 38% of the entire regulatory budget. . . . The Environmental Protection Agency budget has increased by 31% in the last three years, and staffing at this agency has expanded by 23%."

In the July 16 *Washington Times*, columnist Warren Brookes warned that this regulatory explosion will become worse because of the actions of Sen. John Glenn (D-Ohio). Glenn wants to kill the Office of Information and Regulatory Affairs whose function is to prevent unnecessary regulations. According to Brookes, the regulatory explosion during the Carter administration

raised regulatory staffing by 71% to 121,670 and administrative costs 121%."

Brookes wrote that "this translated into a huge new paperwork load" on the U.S. private sector, which was estimated in 1980 to be 1.3 billion "burden hours." At a cost of \$10-40 per hour for administrative personnel and accountants, "paperwork alone was costing the U.S. economy up to \$52 billion a year." Brookes adds that total burden hours increased by 500 million during the 1980s and are now growing faster under Bush.

FEC rule change would aid major candidates

The Federal Election Commission has proposed new regulations which would enable major candidates to more than double their presidential campaign spending in key primary states with small populations.

While total spending in a given state remains pegged to its population size, the new rules would exempt half of all media costs, all staff salaries, and all printing done out of state from the existing limits. Those costs will now be chargeable against the national fundraising limit for the entire primary period, currently set at \$31.8 million.

The new rules are considered to be to George Bush's advantage, since any late-starting Democratic candidates will have to raise and spend much larger amounts in a relatively shorter time, especially in the early, small-state primaries such as New Hampshire and Iowa. The proposed rules changes must be approved by Congress.

Control of presidential debates will be run by the non-partisan Commission on Presidential Debates, co-chaired by former Democratic Party chairman Paul Kirk and former Republican Party chairman Frank Fahrenkopf.

On July 18, the California State Assembly voted 43-21 to move its primary from June to March 2, two weeks after New Hampshire. Senate approval is uncertain, but if passed, the battle for California's huge delegate blocs would mean a huge mobilization of resources during a very short timeframe.

Briefly

● **GOV. MARIO CUOMO** of New York signed a right-to-die bill into law on July 19 which *requires* emergency medical technicians to honor do-not-resuscitate orders when responding to calls outside the hospital. Doctors in emergency rooms must also honor the orders.

● **GOV. WILLIAM WELD** of Massachusetts "may already be considering a challenge to embattled Sen. Ted Kennedy (D-Mass.) in 1994. And from there it could be just one more step to the White House in, say, 1996 or the year 2000," the July 18 Capitol Hill paper *Roll Call* reported.

● **RONALD REAGAN'S** autobiography has been a multimillion-dollar flop, the July 15 *New York Times* reported. "When we signed that contract, there was a warm feeling in everyone's hearts for Mr. Reagan, but we did not realize how thin that was," a Simon and Schuster executive said. "Reagan just evaporated, and the nostalgia we hoped would sell the book was not there."

● **GOV. WALTER HICKEL** of Alaska says, "Big projects define a civilization. So why war—why not big projects," on a poster to promote the "Alaska-California Sub-Oceanic Fresh Water Transport System." The proposed underwater pipeline would be constructed of new plastics.

● **THE RECOVERY** has hit Atlanta. Peggy Berg, the president of Highland Group, said, according to the *Commercial Property News* as reported in the July 19 *Washington Times*, "We're not overbuilt; we're underdemolished."

● **CALIFORNIA** created a state Environmental Protection Agency July 16. It will take pesticide regulation away from the Department of Food and Agriculture and place it in a new Department of Pesticide Regulation, and will shift the assessment of health hazards posed by farm chemicals to a newly created Department of Toxic Substances Control.