Radicals Hitch Ride on Legitimate Issues

By MILT COPULOS

Most people only see them at air terminals—the clean-cut, intense young people carrying signs exhorting you to support nuclear power. Show them the slightest interest, and they’ll gladly give you a lengthy discourse on their dream for the future: mankind freed from material wants thanks to the limitless energy fusion power would provide.

Listen long enough and you might even be talked into buying a copy of the slick publications which are the mainstay of their group—The Fusion Energy Foundation—like Fusion magazine, or Executive Intelligence Review. On the surface it all seems quite harmless, if a bit single-minded. Things, however, are not always what they seem.

What most people don’t realize is that these fresh-looking young people are really members of the U.S. Labor party (USLP), a specifically anti-Beliccist outgrowth of the Students for a Democratic Society (SDS). And the Fusion Energy Foundation is really just a front the USLP uses to win the confidence of unsuspecting businessmen.

Over the years the USLP has developed a variety of fronts for its activities, including the National Caucus of Labor Committees, the National Democratic Policy Committee, the National Anti-Drug Coalition, and the Fusion Energy Foundation. Recently, they established something called the National Labor Committee to Defend Harrison, the Council on Foreign Relations, and the latest, the National Democratic Political Action Committee. But who are these people really?

The U.S. Labor party and its affiliates are the brainchild of Lyndon Leflouche’s perennial presidential candidate and self-proclaimed “American Lenin.” His views, however, are hard to place in any coherent ideological framework.

It seems there is an international conspiracy, including such disparate elements as the Trilateral Commission, The Council on Foreign Relations, The Heritage Foundation, B’nai B’rith, Milton Friedman, the queen of England, Paul Volcker, and Col. Qadafi, among others. The conspiracy’s primary goal is apparently to win world domination by demoralizing America with drugs, creating war, famine, epidemics, and, of course, suppressing fusion energy.

During the last several years, the Fusion Energy Foundation has succeeded in gaining the confidence, albeit for short periods of time, of a variety of respected scientists. By sponsoring conferences on nuclear energy, they are able to dupe some of these individuals into lending their organization a patina of undeserved credibility. Worse, there is the danger of potentially damaging the reputations of these involved, since La Rouche and his followers have never hesitated to drop names at every opportunity.

It is here another problematic aspect of the USLP network arises: their tendency to latch onto issues of current importance and muddy the waters with gross distortions and outrageous

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Privatization a Strong Cure for Ailing Hospitals

By ROBERT W. POOLE JR.

In these days of soaring medical costs and cutbacks in government spending, a money-losing municipal hospital is the last thing a city or county needs. So increasingly, city and county governments are turning their hospitals over to private enterprise.

In 1975, Sonoma County, California, hired National Medical Enterprises to manage its Community Hospital. Very quickly, the expertise of the international company—which owns 59 hospitals in the United States and manages 18 for other owners—started to pay off.

After just one year, NME had reduced the need for county subsidy from $1,757,000 to $865,000. Such financial performance continued, and by the end of fiscal year 1981, Community Hospital was no longer losing money, with more than $198,800. Admissions and occupancy rates increased significantly, as well, and the hospital's cash balance rose impressively, meaning greater assets for improvements, additions and modernization.

Not too far away, in Merced County, California, NME performed a similar feat for that county's hospital. Taking over operations on a contractual basis in 1973, NME has ended the flow of red ink (e.g., 1982 net income was $393,660). At the same time, the facilities at Merced Community Medical Center were upgraded to include, among other services, intensive-care, cardiology and transitional-care units and a regional blood bank.

So impressive is the efficient operation of the center that it won the 1982 New County U.S.A. Achievement Award from the Joint Commission on Accreditation of Hospitals. An even bolder measure is for communities to sell their facilities to for-profit hospital companies. The immediate advantages to local governments are obvious: the initial sale of the hospital and, meaning the hospital into a private enterprise puts it back on the tax rolls. Moreover, in many cases, the private firm will build an entirely new facility—at its own expense—but upgrading the quality of care available locally and, again, providing additional tax revenue.

A recent example of this occurred in York County, South Carolina. In 1980, the county sold its York General Hospital in Rock Hill to American Medical International, a corporate hospital chain.

Not only did the county get out of the tax-draining business of running a hospital and receive $3.4 million from the sale—with an additional $5.4 million from leasing arrangements with AMI—but the for-profit chain built a new $28 million medical center in the community to replace the aging county hospital. Moreover, the quality of care at the AMI-run facility improved markedly.

For example, the company expanded the medical staff with 13 newly needed doctors and three specialists. Another indication of AMI's superior performance is that occupancy rates at York General since AMI's takeover have risen.

Like all other businesses, hospital companies can make profits only through efficient operations—by improving services and containing costs. When NME went in to manage Sonoma County's Community Hospital, for instance, one of its first actions was to cut the size of the billing-office staff from 31 to 18 employees, while at the same time improving the operations of that office.

Indeed, staffing efficiency is one area in which the for-profit chains excel. Commonly, the personnel-to-patient ratio at government-owned hospitals is about 2.5 to 1. Since labor costs account for about half of a hospital's operating expenses, the more efficient use of staff represents tremendous savings.

It is also no mystery that a chain like AMI—which owns or manages more than 100 hospitals in the United States and abroad and has gross revenues last year of more than $1 billion—can take advantage of certain "economies of scale" unavailable to municipal hospitals. Bulk buying of equipment and supplies at large discounts, centralization of computerized data-processing functions, sharing of equipment and personnel among nearby facilities in the chain—all of these can reduce costs and increase efficiency and quality.

And unlike government-owned hospitals, which today are hard-pressed to meet day-to-day operations (let alone improvements and expansion), the for-profit chains have considerable access to capital, through both the equity and debt markets.