Release of Tobacco Documents Is Upheld

A Florida state appeals court yesterday rejected efforts by the tobacco industry to block the release of potentially explosive documents of the Liggett Group, finding that the papers contained evidence that cigarette companies had used their lawyers to misrepresent the dangers of smoking and to conceal research.

The two-judge appeals panel upheld a lower court finding that had ordered the release of the Liggett documents for use by Florida in its smoking-related lawsuit against the tobacco industry. Liggett, a subsidiary of the Brooke Group Ltd., had agreed to turn over the documents, which discuss talks among tobacco industry lawyers, as part of a settlement it reached earlier this year with state attorneys general.

Lawyers for other cigarette companies argued that the Liggett documents were shielded from disclosure by the privilege that protected normal communications between a lawyer and a client.

But the appeals panel upheld the lower court, which in April found that Florida lawyers had made an initial showing that the companies had used the lawyers to commit fraud, so the lawyer-client privilege would not apply.

Concession With Little Immediate Effect

By ADAM BRYANT

News Analysis

The Boeing Company's concession to European Union officials — giving up exclusive 20-year contracts to supply aircraft to American, Delta and Continental airlines in return for approval of the acquisition of the McDonnell Douglas Corporation — will have little practical effect for years to come, industry experts said yesterday.

After all, the airlines, having placed orders for the next 20 years, still want the aircraft they have ordered for the foreseeable future. And there are powerful incentives to remain with one manufacturer, including reduced training costs for pilots and mechanics, and the lower costs associated with carrying inventories of spare parts for only one brand of aircraft.

Boeing acceded to European demands that the exclusivity clauses be dropped so that Airbus Industrie, the European consortium that is Boeing's biggest rival, would not be frozen out of competition for new orders for so many years. However, Airbus or any other potential competitors to Boeing would have to offer strong incentives to airlines to complicate their fleets with new aircraft types.

"That will be a powerful force in deterring the airlines from making any radical changes," said Edmund S. Greenslet, an industry analyst who runs ESG Aviation Services in Ponte Verde Beach, Fla. "It's going to be a tough sell, but not an impossible sell."

But, he added, "For the next five years, even 10 years, I don't think it means anything."

Beyond that time, though, the Boeing concession appears to be a slight positive for Airbus and the airlines that signed the agreements with Boeing, and a slight negative for Boeing itself.

Airlines have strong incentives to stay with one manufacturer.

The airlines will continue to hold on to the steep discounts they received for new aircraft in return for wedding themselves to Boeing. At the same time, they are free to consider new offerings from other manufacturers before the end of their 20-year contracts.

"Now we get the best of both worlds," said Gordon M. Bethune, chairman of Continental Airlines.

In a news conference in Washington yesterday, Philip M. Condit, Boeing's chairman, said that Boeing had been reluctant to give up the exclusivity clauses, although he said that Boeing expected the change to have little impact on aircraft orders.

"Given this agreement, we can have, if not zero impact, then minimal impact on the bottom line," Mr. Condit said.

To the degree that removing the exclusivity clause on its contracts chips away at the competitive advantage of Boeing, the change benefits Airbus.

Airbus had feared the 20-year contracts for good reason. In practical terms, by the time an airline had moved to an all-Boeing fleet after 20 years, any airline would be reluctant to start carrying the additional costs associated with bringing in new plane types.

"Exclusive deals are not for 20 years, they are for eternity," Jean Pierson, managing director of Airbus, said at the recent air show in Paris.

Now, Airbus will at least have an opportunity to make sales pitches to top airline executives, particularly when leadership at AMR's American Airlines, Delta Air Lines and Continental changes over the next two decades.

That thinking was reflected when Airbus mounted an aggressive public relations campaign against Boeing's long-term contracts following Delta's announcement of the Boeing deal in March.

John J. Leahy, an Airbus senior vice president, contended at the time that the contracts deprived airline investors of a chance to get an even better deal in the future.

"Airline managements in the future are going to wonder what their predecessors got them into," Mr. Leahy said.

Corrections

A picture caption yesterday with the continuation of a front-page article about cooperation between the United States and Mexico in the prosecution of drug traffickers misidentified the place where a Mexican prosecutor was assassinated in September. It was Mexico City, not Tijuana.

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An article on Wednesday about the arrest of seven people accused of planning to attack American military bases referred incompletely to measures taken by the authorities to care for a 10-year-old girl after the F.B.I. arrested her parents at a remote Colorado resort. The bureau, a local sheriff and state officials arranged for the child to be placed in foster care, an F.B.I. spokesman in Denver said, but the sheriff who was to pick her up was delayed by an hour. Until he arrived, the girl stayed with a family and child her own age whom she knew. She was not left with unknown hotel guests.

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An obituary on Monday, and in late editions on Sunday, about Dr. Thomas H. Meikle Jr., a medical educator, misstated the surname of a surviving daughter. She is Margaret Winterkorn-Meikle, not Meikle.

■

Because of an editing error, excerpts in Business Day yesterday from testimony given by Alan Greenspan, the chairman of the Federal Reserve, misstated a figure used by Mr. Greenspan for the Federal funds rate. He noted that the nominal Federal funds rate was around 5½ percent, not 5⅛ percent.

The New York Times
THURSDAY, JULY 24, 1997

Immigrants Are Worried By Debate Over Custody

By DEBORAH SONTAG

As some anxiety built yesterday among the deaf Mexican immigrants being held at a motor lodge in Queens, the Federal and city governments continued to negotiate the details of their detention. A formal transfer of their custody to the Immigration and Naturalization Service was delayed once more.

For the immediate future, the 57 immigrants will remain at the Westway Motor Inn in East Elmhurst, where a criminal investigation is proceeding at a plodding pace, mainly because of communications problems. The Queens District Attorney's office has interviewed only four of them in the last four days.

At the same time, teams of doctors, psychiatrists and social workers have been examining the immigrants, and more specific allegations of abuse have emerged.

Dr. Ricardo Galdamez, who works at Elmhurst Hospital Center, said three young women alleged that they had been routinely molested by their boss. The women said they had not been raped, but "touched in their private parts on a daily basis for almost two years," Dr. Galdamez said. They were also slapped when they resisted and were threatened to make them keep silent.

"They were threatened with physical harm, they were physically castigated, and they were threatened with death" by the man they referred to as their boss, Dr. Galdamez said.

That boss appears to have been Renato Paoletti Lemus, the supposed leader of the smuggling ring that sneaked scores of deaf Mexicans into this country, confiscated their documents and forced them to work as trinket vendors. An arrest warrant has been issued for Mr. Paoletti Lemus, who is being sought by the authorities. Seven of his relatives and associates have been arrested.

Federal authorities are planning to add smuggling charges to the local charges for the first three.

Inside the motel yesterday, some anxiety grew as the immigrants asked how long they would be staying there and where they would be sent next.

A crisis intervention team from Elmhurst Hospital Center arrived in the afternoon to help calm a woman who had become hysterical, and a teen-ager who had curled into a fetal position and was rocking back and forth. They were successful.

Under the agreement being shaped by Federal and local authorities, the immigration agency is to take control of the immigrants today, but the Mexicans will remain in New York City until they have been fully interviewed by authorities. City officials would retain access to the immigrants, and in return would pay for part of their care.

Mayor Giuliani and Doris Meissner, the I.N.S. Commissioner, are expected to announce the details of the agreement this afternoon.

Some members of Congress from New York, meanwhile, were pressing the Clinton Administration to grant permission for the deaf immigrants, who are in this country illegally, to stay here. At the same time, Mexican and American authorities were discussing the conditions of what will likely be their eventual deportation.

"Let me emphasize that there are not plans to immediately deport any of them," said Russ Bergeron, a spokesman for the I.N.S.

Parent Urges State Registry For Providers Of Home Care

By JOHN T. McQUISTON

MANHASSET, N.Y., July 23 — Peggy Dunne, whose infant son, Kieran, was killed by his nanny four years ago, urged state lawmakers today to establish a state registry for people who provide in-home care to children, the elderly and the infirm.

"We didn't know at the time we hired her that almost everything she told us was a lie," said Mrs. Dunne, the lead witness at the first of a series of public hearings on legislation intended to help families find qualified nannies and other home-care workers.

"She lied about her education, her employment history and she lied by saying she had never been in trouble with the law," Mrs. Dunne said. "And the doors which contained the truth were closed to us because we were merely private citizens looking for a care-giver for our baby."

The proposed registry would enable families to obtain information before making hiring decisions, said State Senator Suzi Oppenheimer, Democrat of Mamaroneck, whose district includes the Westchester County town of Rye, where the Dunnes lived at the time of the killing.

Mrs. Dunne, who worked as a project manager in the marketing department of The New York Times, now lives in London with her husband, David, an analyst with Bear Stearns, and their three children.

Senator Oppenheimer, who introduced the bill in March, said the measure would be known as "the Kieran Dunne home care-giver registration act." Kieran's 25-year-old nanny, Ann Franklin, was sentenced in 1994 to up to 25 years in prison after admitting that she killed the 10-month-old child.

Senator Oppenheimer said the registry would provide information on a potential home-care employee's education, employment and criminal background. She said participation in the registry would be voluntary.

"It would provide the same kind of information that is routinely provided to people who employ security guards, school bus drivers and others who require background checks," Senator Oppenheimer said.

An effort to help families learn before they hire.

The New York Times THURSDAY, JULY 24, 1997

This is Kieran Law

State Assemblyman Thomas P. DiNapoli, Democrat of Great Neck on Long Island, a co-sponsor of the measure, said the time had come "for the Legislature to act to provide families with the information they need to protect themselves from harm."

He said educational, medical, driving and credit records and a person's employment history would be made available, and fingerprints would be checked against files at the Federal Bureau of Investigation.

The state would charge home-care workers $100 for the initial processing and investigation. There would be an annual renewal fee of $50. The funds would help pay the costs of a fingerprint search by the F.B.I.

Prospective employers would pay $75 for their first report from the registry and $25 for each additional inquiry in any calendar year.

Most of the witnesses today agreed that some form of registry was necessary, but some expressed concern about the additional cost to the home-care industry and the impact of singling out a group of workers who were already at the low end of the pay scale.

Lori Talbert, a member of the Household Agencies and Nurses Registries Association, said she supported the concept of a state registry for home-care workers, but with reservations.

"The registry should be mandatory for it to be effective," she said, "otherwise few will subject themselves to the costs, inconvenience and the invasion of privacy."

She said registry fees should be minimal, because the cost might force workers to secure employment elsewhere or through an underground network.

Glen Edwards, president of Care-givers On Call in Lynbrook, Long Island, said that by singling out of a group of workers, lawmakers were inferring that they were not trustworthy unless they underwent a security check.

"Why should the 99 percent who are hardworking and honest have to pay for the one bad apple who wants to spoil it for everyone else?" Mr. Edwards asked.

Mrs. Dunne said the the registry was not intended to harm anyone.

"Our intent," she said, "is to protect families from experiencing the pain we have had to live with, a pain that never goes away."