

gency that has yet to come to public attention,” Catania said. He described how emergency rooms all over the city are being overwhelmed, and he addressed a point to people who live near other hospitals in the more affluent parts of D.C. “If you think, that ‘this doesn’t affect me,’ think again.” He pointed out that there have been periods of time when only two of the city’s 14 emergency rooms have been accepting patients, and he warned: “Those of us who are insured and who live near major medical institutions have had our access to health care compromised by this scheme.” He stressed repeatedly that the crisis created by the closing of D.C. General affects everyone in Washington, no matter where they live, or whether they have insurance or not.

Catania, a Republican, also said that there are right ways and wrong ways to privatize. He pointed to the situation in California, where, he said, privatization and deregulation have led to rolling blackouts of electricity. “What we have here in the District,” Catania declared, “are rolling blackouts of emergency rooms”—a theme he repeated a number of times during the hearing. “We had a safety net, and now the safety net is gone,” Catania said at the conclusion of the hearing.

### Lives Are Being Lost

The re-opening of the emergency room, and the announcement that up to 80 in-patient beds will be retained, may be the clearest indication that the Mayor and Control Board are feeling the pressure from the rising death toll and the effect on the District’s other hospitals.

But, even so, the dismantling of the hospital is continuing, and lives are still being lost because the most serious trauma cases must be sent to more distant hospitals, and because units such as the top-flight Pediatrics and Obstetrics unit are being shut down. Hundreds of the employees have been laid off, top management summarily fired for opposing the privatization, and supplies are being looted by the unhappy Greater Southeast Hospital.

A hospital, Dr. Muhammad told the May 30 meeting, cannot be “reopened for a day” or a week to cover the fundamental immorality of the privatization and closing. “We have to rise above the usual, to seize the historic moment,” he said. “Genocide is not going to be allowed in the District of Columbia; we will achieve adequate health care here, and nationwide, and around the world. We can reverse the descent into chaos.”

The Coalition planned its 20th and largest town meeting for the evening of June 6, to be preceded by a mass funeral procession through southeast Washington for the dead victims of the shutdown. State legislators from several states were expected to attend, and to take part in lobbying of Congress on June 7. And a hearing will be held in Federal court on June 8, on the challenge to the Control Board brought by Council members Catania and Kevin Chavous.

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## Interview: Elliot Greenspan

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# LaRouche Democrat Runs For New Jersey Governor

*Greenspan, a candidate for the Democratic gubernatorial nomination, was interviewed by Mary Jane Freeman on May 31.*

**EIR:** Your slogan is, “Vote for a Sane Greenspan, Instead!” What does that mean?

**Greenspan:** We’ve had 35 years of insanity in the United States, associated with the insane Greenspan, Federal Reserve Chairman Alan Greenspan. These have been so-called “post-industrial” ideas — crazy ideas, which have infected the minds of our people: Deregulation. Free trade. Speculation. Hedonism. “Get the Government Off My Back.” We’ve got a gambling psychosis. You cannot sustain a productive economy with these policies. . . . The “great oracle,” the “great magician,” Alan Greenspan. He is more responsible for this insanity than perhaps anyone in the nation, by insisting on the illusion of its success. . . .

This is a primary election. The Democratic primary is June 26. There are two Democrats on the ballot: the sane Greenspan, and Mayor Jim McGreevey of Woodbridge, who almost beat Christie Whitman four years ago for Governor.

**EIR:** So, you are running against Federal Reserve Chairman Alan Greenspan, and not the other candidates?

**Greenspan:** The other candidates are living in Alan Greenspan’s virtual reality. They are denying, much as Bush and Gore did in the Presidential race, the reality of the worst economic and financial collapse in modern history, which is in process. LaRouche was right. Alan Greenspan’s bubble has begun bursting over the last 15 months, with the collapse of the “new economy” fraud. This represents a potential liberation for our citizens. If they will learn the lessons of their folly, basing their future on this funny-money speculative bubble, then they can come back to their senses. They need leadership to do so, and that’s LaRouche and that’s my campaign.

**EIR:** You say the “1990 Whitmanite tax-cutters and budget balancers’ ” policies looted the state. What is the state of the New Jersey economy today?

**Greenspan:** The manufacturing base has been collapsing for 30 years. Now the rest is going, and the reality of that crash is quickly dawning on the other candidates, and on the people



*New Jersey candidate for U.S. Senate and LaRouche Democrat Elliot Greenspan in Atlantic City, showing his opinion of the state's "new economy."*

of the state. Whitman came in in 1993 and sold a 30% tax cut. However, she got the tax cuts by pilfering money from other funds, including pensions, and massively increasing indebtedness in other areas. She ultimately cut the taxes by raising the taxes! She sold this to the voters by promising, "We'll put more money in your pockets," which made them momentarily happy. She was able to get away with it, because it intersected Greenspan's bubble, which resulted in a substantial increase in tax revenue through the gross income tax, the capital gains tax, and so on. But it was all a fraud.

**EIR:** How much of the New Jersey economy relies on capital gains taxes?

**Greenspan:** More than one-third of the state's general fund revenue comes from gross income tax [personal income tax], with 18% of that just from the tax on capital gains. But, if you add in taxes from stock options, it rises to 20%. Just these add up to 7.3% of the state's total tax revenue being dependent on the bubble. This is now blowing out.

**EIR:** New Jersey has an infrastructure deficit.

**Greenspan:** Something over half of the state's schools require renovation or repair. One-third of the roads and bridges are seriously in disrepair. The so-called "boom" was all on paper. Whitman, like Greenspan and the Bush-Gingrichites, was committed to looting and securing income streams to feed their bubble. Now, with the bursting of the bubble, since last year, suddenly New Jersey has a projected \$1.6 billion tax revenue shortfall for the next fiscal year! This is creating a crisis for the state's budget, and for the state's politicians, as they have no way to deal with this, except by increasing taxes, which they are terrified to do; or draining the surplus funds, which would threaten the state's credit rating; or making drastic cuts in necessary, life-and-death spending in infrastructure, on health care, on education, that is, on the general welfare. The chickens have come home to roost. LaRouche and I were right.

**EIR:** Is this your first run for public office?

**Greenspan:** I ran for Governor in a six-way Democratic primary in 1985, and for U.S. Senate against Bill Bradley in 1984. Since the mid-1970s, as a spokesman for Lyndon LaRouche across New Jersey, I have run for Congress and legislative office several times, and at the same time coordinated hundreds of campaigns for school board, state legislature, the Congress, to rebuild an FDR-Democratic Party citizens' candidates movement to take back the party for the principle of the general welfare.

**EIR:** You have focussed on two policies for the general welfare: health care and energy re-regulation. On health care, you recently went to a rally in Jersey City to support the fight of its citizens and hospital workers of District 1199 to keep St. Francis Hospital open, and to situate the national fight to keep D.C. General Hospital open. What was your message?

**Greenspan:** St. Francis hospital is being dismantled by Bon Secours-Canterbury Partnership. Layoff notices were recently issued to 415 workers. The emergency room and intensive care unit are being taken down, and it will soon become a nursing home. The 1199 activists at the hospital invited me to join them at an April 21 rally, and to speak. I emphasized that their fight could only be won, were they to organize as part of the national fight to save D.C. General Hospital as a fully funded, full-service public hospital. By focussing on the fight in Washington, we are now battling in Congress. The issue of the General Welfare, has become a national one.

**EIR:** You have called for putting "a screeching halt to the dismantling of New Jersey's medical infrastructure" in the face of what you and LaRouche have warned about since the 1980s, that is, a resurgence of global pandemics.

**Greenspan:** The Whitman administration was oblivious to the calls for help in communities where hospitals were disappearing. They were operating with a plan to cut 50% of the

hospital beds in the state. Meanwhile, Jersey City and Newark, among other cities here, are major centers of the AIDS epidemic. Seventeen hospitals closed in this state since 1986, eleven of those since 1995, with a drastic reduction of hospital bed capacity statewide. The Whitman administration sharply cut back charitable funding, intersecting the bankrupting of hospitals by HMO and other type methods nationally. We have to return to the 1946 Hill-Burton conception that health care must be available per capita, and per unit area, as a matter of national security and simple morality.

**EIR:** What is your energy plank, and what is the state of New Jersey's energy delivery system?

**Greenspan:** The New Jersey State legislature passed an energy deregulation bill in 1999, "The Electric Discount and Energy Competition Act." That name itself dooms it, since there has been no discount, and less competition. Anyone who thinks that the New Jersey energy deregulation plan is a success, or could be a success, probably thinks that Alan Greenspan has a brain. Energy "deregulation" is a fraud of the energy marketers—straight piracy. First, approximately 276,000 New Jersey citizens, primarily among the poor, elderly, and disabled, have received shutoff notices and/or are at risk of disconnection due to the increased cost of electricity and natural gas over the last year. Second, the rate caps which are in force now, will be lifted as of 2003. The purchase cost by the utilities for energy now on the wholesale market guarantees an explosion of cost to the consumers within the next two years. There is already a big fight with the attempted \$4.5 billion takeover of our state's second major utility, General Public Utilities (GPU), out of Morristown, by FirstEnergy Corp. of Ohio. The staff report of the state's Board of Public Utilities to its Commissioners opposes the merger, because they expect a big jump in cost to the people that will occur as the rate caps are lifted.

**EIR:** Is there some provision for the companies to regain their losses, i.e., the differential between their current purchase price for energy on the market versus what the consumer pays under the caps?

**Greenspan:** Under the 1999 law, GPU can recover the money it lost during the period the rate cap is in effect, which will exceed \$600 million by the end of this year. In other words, the bill promised an "energy discount," which only appears to be happening as price increases to consumers are delayed for four years, so as to make it seem that that promise has been fulfilled. However, the bill itself allows the price to explode when the caps are removed. GPU and FirstEnergy have no plan to ease the impact on customers when they start recovering the cost.

**EIR:** You have also alluded to a figure of 79% of the state's generating capacity having been bought up.

**Greenspan:** The swindle here, is that the utilities are estab-

lishing utility holding companies as a means of getting around the regulation which continues to exist. So that in New Jersey, Public Service Enterprise Group, which is a holding company of Public Service Electric and Gas (PSE&G), as well as Connecticut, have purchased 32 power plants with an energy-generating capacity equivalent to 79% of the state's capacity three years ago. That is, they have succeeded in getting around any regulatory authority of the state, and in deregulating most of the state's generating capacity.

**EIR:** What is your energy plan? In the 1970s and '80s, New Jersey's Princeton laboratory was a leader in the development of thermonuclear fusion power. But then the national budget for fusion research was slashed, and this capability has not been developed. What role can New Jersey play today in solving the nation's energy needs?

**Greenspan:** First thing we should do in New Jersey is regulate energy . . . on the FDR model. On the other side, this state is rich in scientific brain power and in technological capacity. We should ensure the necessary tax incentive policy to those firms in the state which over decades have led in the development of the nuclear power-generating capacity in the nation. We should, once again, ensure that the Forrestal facility, the plasma physics facility at Princeton, has the national backing, as well as the state backing, to pioneer the R&D required to commercialize fusion power.

**EIR:** Wasn't there some special historic role in Camden in the development of nuclear technologies?

**Greenspan:** The New York shipyard at Camden produced the only nuclear-powered cargo ship ever built. This was in 1959, under the Eisenhower Administration's Atoms for Peace Program. But, that then went into mothballs, and Camden was put into mothballs. That city, that port, should have been at the center of a national commitment, which LaRouche defined in 1980, to have the United States build 1,000 nuclear plants over two decades, and that the United States ought to export 1,000 nuclear plants.

**EIR:** Let's talk about the problem of New Jersey cities. According to statistics, 89% of New Jersey citizens live in urban areas—one of the most densely populated states in the nation. Since the mid-1980s, New Jersey's industrial base and cities were targeted for what the New York Council on Foreign Relations crowd called "planned shrinkage." As Governor, what is your plan for revitalizing them?

**Greenspan:** The first thing I would do is send the Wall Street firms which have crawled like a slime mold across the Hudson River into Jersey City, to the so-called Gold Coast of Hudson County, back to New York. The future of the state's cities is not rooted in a speculative fraud. It is not rooted in more sports complexes, as is being discussed now for Newark. Nor is it rooted in casino gambling in Atlantic City. The Governor last week proposed a takeover bill for Camden, and potentially

for other so-called “distressed cities.”

Already the school systems in Newark, Paterson, and Jersey City are run by the state. I would immediately reverse that. I’m campaigning across the state to defeat this takeover bill, which is on a fast track in the state legislature. If there is to be revitalization in Camden, and the other great cities of this state, it will only occur through planned progress, not planned shrinkage. That planned progress is the Eurasian Land-Bridge and the New Bretton Woods of LaRouche. Last week I was privileged to join Pennsylvania State Representative Harold James (D) on the steps of his state capitol in Harrisburg, at a LaRouche in 2004 campaign rally, when he announced his introduction of a resolution in the legislature in support of a New Bretton Woods approach to our nation’s and state’s economic problems. I am talking with legislators here to do the same. This initiative is the only basis for the reconstruction of our cities and the state’s economy.

**EIR:** This planned shrinkage coincided with an attack on New Jersey’s urban constituency leaders, such as U.S. Sen. Pete Williams and U.S. Rep. Henry Helstoski, by a corrupt U.S. Department of Justice. You were a leader, along with LaRouche, of a fight to expose the politically motivated AB-SCAM and BRILAB sting operations used to eliminate these FDR Democrats, who led a government-labor-industry alliance for development. How do you intend to revive this FDR-JFK tradition?

**Greenspan:** New Jersey is an example of the Southern Strategy assault against those political forces, the FDR forces, committed to economic growth. That Southern Strategy assault continues, in the massive Justice Department attack on U.S. Sen. Bob Torricelli today, the significance of which is intensified by the Bush crowd’s desperation to regain the Senate, in the wake of Senator Jeffords’s and his Lincoln Republican colleagues’ move to repudiate that Southern Strategy control of the other party. My focus in the campaign is to reestablish an FDR party here, to retake the Democratic Party from the ground up for the general welfare principle, the principle which FDR reasserted for the “forgotten man.” I am contacting, daily, hundreds of Democratic Party leaders, public officials, labor leaders, civil rights leaders, around that principle on the immediate fights — save D.C. General, energy re-regulation, and the economic crisis.

**EIR:** LaRouche has called for launching a global economic recovery pivoted on bankruptcy reorganization of the world economy, and on his plan for a Eurasian Land-Bridge infrastructure building program. As Governor, how will you mobilize the state’s resources to be a part of this?

**Greenspan:** I would rebuild this state as the great industrial corridor, as the center of the New York-New Jersey-Pennsylvania economic engine and transport corridor—which this region was going back to Alexander Hamilton, in Paterson, to Col. John Stevens in Hoboken, building the first steam engine locomotive, getting the first railway charter, then

through the work of Friedrich List, across the Delaware in Reading, Pennsylvania, the Careys, and the great Thomas Edison, perhaps the greatest inventor in American history. This state, this region historically, was a powerful engine for scientific and industrial progress. The future of the state lies not in the casinos, sports complexes, and Alan Greenspan’s crashing “new economy.” Our future lies in reestablishing this transport corridor with the most advanced receiver and delivery systems, such as integrated star-ports, to lead the way in building the 21st-Century economy. We can, with a Eurasian Land-Bridge mission approach, rapidly rebuild our state’s machine-tool and high-technology capital-goods resources through appropriate credit and tax policies, coming from Washington and Trenton.

**EIR:** New Jersey has a long leadership role in education—and you are formerly an American history teacher. In 1817, it was one of the first states to set up a fund for public schools, and it is the home of two of the nation’s oldest schools of higher learning, Princeton and Rutgers State University. It is also the home of the first school for freed slave children, in Newark. What will you do to restore public education?

**Greenspan:** I would stop the moves to privatize our school system. I would reestablish a commitment to Classical humanist education. LaRouche has defined a conception, which is the only basis for citizens here and the nation, to again provide our youngsters actual education. I would take the models of Alexander Hamilton and Thomas Edison, two of the greatest thinkers in American history, and establish a curriculum whereby children can relive their discoveries. Hamilton’s discovery of the American economic system, the American system of physical economy, and the republican conception of the general welfare, can and must be rediscovered by our youth, to ensure posterity. Also, to have them experience the outlook of Edison, who was dedicated to the idea of a new invention every week—something he made possible through his invention factory. To teach a revolution in scientific research and development. They must become prepared to build the world and conquer space.

**EIR:** What is your primary task of this campaign?

**Greenspan:** It is to change the mind-set of our people. The fault, as Shakespeare put it, “lies not in our stars, but in ourselves.” Our citizens have gone along happily speculating in the stock market, and gambling at Caesar’s in Atlantic City. Drive into Atlantic City sometime, and there’s Caesar’s Palace with the statue of Caesar, and they wear togas inside, apparently (I’ve not been inside), and have loudspeakers blaring, “Hail Caesar.” Our citizens have got to stop hailing Caesar, or Tony Soprano, or the insane Greenspan. Rather, they must rethink what they’ve come to believe—these crazy ideas—and recommit themselves to the general welfare principle, to the American system. LaRouche and the sane Greenspan represent that outlook, and choice, for the people of New Jersey.