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## II. Change the Axioms of Policy

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# Mike Bloomberg's Destruction Of New York's Virus Defenses

by Barbara Boyd

THE THIRD IN A SERIES ON MIKE BLOOMBERG

April 5—A virus, one of the most primitive forms of life, has felled the reigning axioms of human thought of the last 50 years. Those axioms have exacted a higher death toll over these decades than this horrible virus, virulent as it is, ever could. The outbreak has simply and elegantly focused attention on the pathogens of thought which have lurked just beneath the surface all along.

It is the “trends”—the Malthusian axioms of limits to economic and population growth, the “efficiencies” of the market and systems analysis modeling of large-scale human activities (which do not and cannot take into account sudden new shifts for good or ill)—which have left us locked in our houses, and the medical system we imagined to exist, collapsed and overwhelmed, and with people dying completely unnecessary deaths.

But, since August 15, 1971, when the post-industrial and globalist speculative systems structured by these axioms burst on the scene, millions have also died, in the shadows, unnecessarily, without 24-hour-a-day coverage on the television. And they will die now, in the developing sector of the world and in the impoverished areas of our country, because those axioms have denied us the means to fight at full capability. At the same time, the world rises to fight, as in most wars, with the army it has.

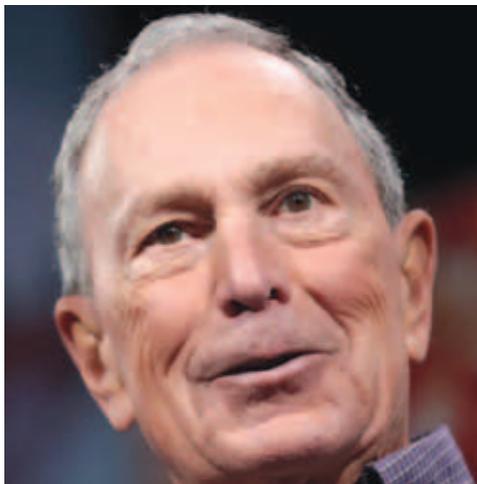
Necessity has called back into being, as if in a wondrous instant, the sheer power of a mobilization of

the physical economies of the world. Scientific discovery and innovation are the watchwords of the day in the race against the virus and its toll of awful, horrible human suffering and death caused by the axioms we wittingly or unwittingly came to believe. The President now calls upon the United States to be the arsenal of democracy once again, supplying the entire world in its battle against the virus and beyond. He proposes to undertake a trillion dollar infrastructure program, rebuilding and modernizing the physical platform of the economy as the first step in its economic revival.

So, now, it is finally possible to end a world in which the privateers of Davos, Bill Gates and Mike Bloomberg, throw crumbs at the poor of Africa or New York City, lecture them about their habits, and virtue-signal to one another, while actually implementing plans for genocide through such Malthusian schemes as the Green Finance

Initiative. It is also finally possible to tame our absurd media, sowing panic and hectoring the President about the deaths this virus will cause because of the axioms which drive their thoughts, while praising global warming hoax and continuing their mad *coup d'état* against the Presidency, assuring even greater death, should they prevail.

Now it is possible to put into place something entirely new, participating in the universe's bend, finally, as Martin Luther King would have it, toward justice. And, all of this only because a very hard and painful



Gage Skidmore

Michael R. Bloomberg

lesson is being learned. Ideas count. What you think counts. More importantly, how you think counts; it is the difference between life and death.

This third in our series of how Michael Bloomberg thinks, examines how New York City eliminated 21,000 hospital beds, closing 20 hospitals during Michael Bloomberg's reign on behalf of his Wall Street and City of London sponsors. New York City's inventory of 1800 ICU beds, or 2.7 ICU beds per 10,000 residents over the age of fifteen, has not budged in 20 years, placing it at slot 220 in a national survey of 305 U.S. hospital regions. Bloomberg's predatory excesses now spell death, disproportionately, among the poor, working, and middle classes, if the scientific race for mitigation drugs and a vaccine, and the production of medical equipment under the Defense Production Act does not outpace the virus fast enough.

*This is a story which can never be told in terms of the "healthcare issue" as that is understood in our present retarded and stupefied politics. Treating the issue as such mistakes a symptom for the disease which is killing the patient. There is no healthcare "solution," be it Medicare for All or other programs, that does not flow from creating a new industrial and scientific revolution and a full set national economy along with implementing regulations which de-financialize the healthcare sector both here and worldwide. There is no defense against the disease or economic destitution unless we now harness our productive and scientific power to conquer underdevelopment throughout the world.*

None of the Malthusian proposals for healthcare reform since 1971—all developed in the specious systems analysis approach to "healthcare economics" at Stanford University, Jackson Hole, Wyoming, New York City's Manhattan Institute, Washington D.C.'s Heritage Foundation, and similar dystopian locales—ever mention large scale economic development as the true means to ensure first rate healthcare for all. Lyndon LaRouche insisted, however, that any discussion of healthcare outside the context of massive physical economic development, breakthroughs in fundamental science and our understanding of the laws of the universe, rising productivity and rising wages, is mentally deficient. President Trump clearly has the idea of this when he keeps talking about economic expansion as the prerequisite for any discussion of entitlement reform.

Similarly, all of the prevailing economic nostrums about healthcare, since the passage of Medicare and Medicaid in 1965 refuse, as a matter of principle, to take into account the actual human cost and inflationary impact of the privatization of healthcare services and the accompanying ideology of "just in time" economics and maximization of shareholder value in outsourced and competing "services" within the "healthcare sector."

EMT and ambulance services are all privatized companies now; ER docs are the same. While lying on a stretcher in the ER a few years back, it was not unusual for a separate privatized company to send representatives to collect any outstanding bills or your insurance deductible. Denials of life-saving care by Health Maintenance Organizations and other insurers still occur with regularity. Hospital bills, running many, many pages of single-spaced items dictated by "chargemasters," routinely and massively inflate charges for such simple items as gauze and aspirin.

In his 1981 piece, "Systems Analysis is White Collar Genocide," Lyndon LaRouche forecast precisely the course of events we now see. As we shall see, LaRouche fought tirelessly at each step of the devolution and outsourcing of the physical economy of the United States, in New York, the nation, and the world. As early as 1974, LaRouche convened groups of specialists to study the global pandemics which would invariably emerge from twin plagues of poverty and underdevelopment, particularly in the developing sector.

The attack on the physical economy built by Franklin D. Roosevelt's war mobilization following August 15, 1971 was accompanied by an assault, by the same oligarchs, on cultural optimism, the belief in the sanctity of all human life, and the funding of technological and scientific progress, which allows for human creative breakthroughs in understanding the fundamental laws of the universe. It is those creative breakthroughs, unprogrammable and unpredictable in static systems analysis models, which, throughout human history, have accounted for humanity's victories over disease and economic collapse and will do so now.

### **Mayor Bloomberg's Deadly Healthcare Follies**

Some might ask, why focus on Bloomberg still? Wasn't his campaign a flop? What does he have to do with our present crisis, where, if you believe the rabid media, people seem to be dying in the streets because

of Donald Trump?

The late Lyndon LaRouche, in his [autobiography](#), *The Power of Reason: 1988*, tells us why. He noted:

Essentially I define individuals and organizations not by what they imagine themselves to believe, but rather by how they think. The republican mind and the oligarchical mind see God, creation, and man from opposing philosophical viewpoints; their minds work differently.

Bloomberg, as we demonstrated in the previous articles in this series, is the poster boy for oligarchical thought. Understand and expose how he thinks, not how many non-disclosure agreements he has accumulated, and you can defeat him and all the other would be controllers of our destinies. That is why the internet circulation of his 2016 Oxford University [appearance](#), where he publicly exposed how he thinks while chatting with those he considered the future intelligentsia, had such a devastating effect on his presidential campaign.

At Oxford, he arrogantly declared farmers and industrial operatives to be brain-impaired relics of the industrial age, only capable of learning systems analysis's dictated recipes and "processes," while claiming that coding involves some higher form of human thought generally, that is genetically unreachable by the lower classes.

Bloomberg's "healthcare" policies, developed in conjunction with Bill Gates and based on the very latest thinking of the Davos set, are the policies which turned the former profession of medicine into yet another Wall Street swindle in which systems analysis and austerity kill whole sections of society. That result is rationalized by resort to the popularly accepted belief that the social

Darwinism of the "market" is natural law. These axioms have been endorsed by the politicians of both political parties, including the Republican leadership (which has wrapped itself around Donald Trump) and New York's Governor, Andrew Cuomo.

Cuomo—the media and the Democrats' current favorite anti-Trump—has done almost as much to facilitate the crisis in New York City as anyone by accepting the oligarchical nostrums of Bloomberg and his ilk. Trump, on the other hand, is mobilizing a full war

against the virus with the army he bequeathed to him, in the midst of a continuing coup against his Presidency, conducting daily war room broadcasts about the state of battle and the daily innovations which will spell victory or defeat.

Under the post-1971 post-industrial regime change in the United States, teachers, doctors, nurses, and other healthcare providers, who formerly practiced as professional missionaries conquering disease and ignorance, became employees in the newly formed "competitive market based" privatized industries of healthcare and education, creating yet another income stream for the investors and bankers of the City of London and Wall Street.

Presently, healthcare, a soft infrastructure expense in a functioning full set industrial economy—paid for by gains in productivity, an expanding tax base, and overall physical economic growth, along with regulation against predatory practices—has become a huge "industry" in and of itself, a behemoth registering almost 20% of GDP in the United States while providing mediocre care, at best.

The Washington lobbyists who support this largely unregulated, rentier capitalist sector of the economy spend five times as much protecting it as does the lobby protecting the equally predatory defense indus-



NYC Mayors Office

*Mayor Bloomberg's official portrait, December 2013, which depicts him standing in the Bullpen at City Hall.*

try. It is a sector of the economy where technological advances result in inflated and increased costs, defying normal economic rules. As of 2007, it constituted one third of the overall federal budget.

It is also the largest economic expense of almost every family in the United States and accounts for 60% of all bankruptcies. The infrastructure of this “industry” has been shrunk, looted, and consolidated, in stages, by the actions of Wall Street’s vulture funds, health insurance companies, the hospital associations, and the drug and medical device companies. In New York and other cities, this is complicated by the real estate vultures who hover over endangered medical facilities on city land targeted for gentrification, waiting to call the bulldozers, so that luxury towers can replace them. In rural areas of the country, there is virtually no remaining health infrastructure. People must travel hundreds of miles to access care.

As opposed to training and supporting the doctors and nurses required for exemplary medical care here in the United States, this nation now depends on importing foreign doctors and nurses who will accept years of lower rates of pay. In the managed and accountable care systems, physician assistants and nurse practitioners have replaced doctors. They have much less training and, most importantly, they cost a whole lot less. The entire labor force, the lifeblood of any medical system because of the ability to innovate and fight under battle conditions, an element far more important than masks and respirators, has been deliberately shrunk.

Large private hospital systems, organized as tax exempt non-profit entities, by hedge funds and billionaire donors, now dominate the field nationally and they are gobbling up both valuable real estate and individual physicians’ practices, creating the same type of cartels which are seen in agriculture and food production. As of 2018, Northwell Health, Montefiore Health Systems, and Mount Sinai Health System constituted the top three employers in New York State. NYU Langone Health ranked fifth, just after Walmart. The last of the big five hospital networks, New York Presbyterian/Cornell, was tenth. The key to success in these systems, we are told by its financier architects, is “full occupancy,” ensuring that beds are full and procedures are



Gage Skidmore

*Stuart Butler came to the U.S. as part of a wave of British think tankers to inculcate Americans with British ideas.*

being performed at the highest rates possible. Excess beds, supplies, or personnel constitute economic heresy, a sin which the market will “discipline.”

There were four phases in the dismantling of New York City’s once deep public health infrastructure. First and foremost, there was a destructive counterinsurgency and profiling phase conducted under the Lindsay Administration from 1968-1972, which culminated in a wave of hospital closures as the result of the actions of Felix Rohatyn’s Emergency Financial Control Board (EFCB) from 1975-82. These first two stages of the battle, the Lindsay profiling operations and the EFCB shutdowns, reflected national policies undertaken during the same time period, and featured the axiomatic ideas and terms of battle which have persisted to the present. They are the major focus of this article.

The entire structure of Obamacare, passed by Congress in 2010, was invented, lock, stock, and barrel, by the Heritage Foundation’s Stuart Butler in 1989. True to how things really work, it was also the Heritage Foundation which coopted large sections of the Tea Party movement which revolted against the death panels of Obamacare, claiming leadership against the very idea it authored.

Stuart Butler came to the U.S. in 1975 as part of a deliberately deployed wave of British free market think-tankers aiming to reconquer the United States. Most had direct ties to the oligarchical Mont Pelerin

Society and British intelligence. All of them presented the ideological narratives and myths justifying the massive cannibalization of the U.S. public sector by Wall Street and the City of London. The HMO concept—managed care—the monstrous enemy of both doctors and patients throughout the past 30 years of concerted implementation, was made law by President Richard Nixon in 1973, after a campaign by industrialist Edgar Kaiser, Dr. Paul M. Ellwood, Jr. of the Jackson Hole healthcare study group in Wyoming, and Alain Enthoven.

Enthoven, the most significant force in this bunch, had been a whiz kid in Robert (Vietnam Body Count) McNamara's Defense Department under Kennedy and Johnson, occupying the newly created post of Assistant Secretary of Defense for Systems Analysis. He started his career at the Rand Corporation, the heart of the military industrial complex. He has been a continuing ideologue for a systems' analysis, "managed" market based competitive healthcare model in work with the Jackson Hole Group, Kaiser Permanente, and Stanford University's Center for Health Policy, ever since.

A third round of dramatic forced hospital closures was initiated as the result of Governor George Pataki's deregulation of hospital pricing in 1996 and the Berger Commission report which followed in November of 2006. More recently, a fourth round of closings resulted from Obamacare's cuts to Medicare and Medicaid, along with Obamacare's incentives to the large consolidated and cartelized hospital and outpatient surgery and clinic networks which now dominate the "industry."

The Berger Commission was chaired by investment banker Stephen Berger, who had served as Director of the Emergency Financial Control Board during Felix Rohatyn's pillage of the City. Berger personally engineered the massive hospital and public health closings under Rohatyn. Berger's public career as a "change agent" for his Wall Street and City of London sponsors, began with service on Nelson Rockefeller's Commission on Critical Choices.

Following the 1971 collapse of the Bretton Woods system, that Rockefeller Critical Choices Commission, the Project 1980s studies of the New York Council on Foreign Relations, and the Trilateral Commission were responsible for creating the policies which transformed the United States into a post-industrial,

service-based economy and pivoted American foreign policy into that of permanent imperial warfare. The gross diversion of resources to the bloated defense, intelligence, and related Silicon Valley sectors, and the "business" of war, completely privatized with private publicly traded companies now undertaking war and mass surveillance, means that the President, *any President*, has little control of American foreign policy and that money can't be found for something as essential as health.

The round of hospital and nursing home closings following the Berger Commission Report, was closely coordinated with the Bush Administration which was engineering massive cuts in Medicaid spending, the primary means for healthcare access by the poor. Medicaid is responsible for 40% of all revenues flowing into New York City hospitals.

By 2011, Berger now a director of the Partnership for New York City, through which Wall Street exercises its control of the City, had moved on to covertly control Governor Andrew Cuomo's first Medicaid Redesign Team. There, he recommended closing six Brooklyn hospitals because they would never be able to take advantage of Obamacare, which "incentivized" turning the poor and disadvantaged away from acute hospital care to community based primary care. Just prior to the outbreak of the present COVID-19 crisis, Governor Andrew Cuomo had announced more draconian Medicaid cuts which, if they take effect as planned, will throw even more public and independent private hospitals into bankruptcy.

Among other provisions, Obamacare's "accountable care" reimbursement practices have substantially reduced already completely inadequate Medicaid subsidies to hospitals and nursing homes. In addition, an escalating series of Obamacare cuts in Medicaid reimbursements starts at \$4 billion in May of this year. These are cuts in funds which go to "disproportionate share" hospitals, those serving the poor.

In the Obamacare cost containment health environment, psychiatric services, addiction services, and Level 1 trauma services are deemed economic loss leaders, in hospitals serving poorer populations where such services are paramount. At the same time, drug prices, and medical equipment, device and other supply costs, and cartelized hospital network bills to insurance companies, Medicare and Medicaid, have spiraled out of control, dwarfing even the profiteering of insurance

companies which now operate on much thinner margins.

In a September 9, 2013 piece in the *New York Post*, “Why NYC Needs Hospitals to Close,” Stephen Berger proclaimed that efforts to save Long Island College Hospital and Interfaith Medical Center (which handles the vast majority of Brooklyn’s psychiatric cases) were deeply “mis-guided.”

Health-care delivery in America is evolving into a system marked by fewer hospitalizations and more community based primary care....

[T]he time has come for New Yorkers, especially those in vulnerable, low-income neighborhoods, to overcome their reliance on hospitals and embrace the rapidly shifting healthcare landscape....

The Affordable Care Act (aka ObamaCare) and Medicaid Redesign Team (MRT) reforms are helping New York pursue the “triple aim” of improving population health, enhancing the patient experience, and reducing health-care costs....

Berger argued that the fight to keep Long Island College Hospital and Interfaith Medical Center open “will have a chilling ripple effect. Other hospitals on the financial brink will put off necessary downsizing or outright closure simply to avoid the chaos unfolding in Brooklyn.”

As a result of these actions, New York City presently consists of two hospital systems. One group, the remaining 11 public acute care New York Health and Hospitals System hospitals, and the 7 private community hospitals which still serve the poor and working



English Wikipedia/David Shankbone

*Two of the many hospitals closed during Bloomberg’s mayoralty: St. Vincent’s Catholic Medical Center in Greenwich Village, and Brooklyn’s Long Island College Hospital. The closing of 20 such hospitals was met with many protests.*



Wikimedia Commons



Courtesy of Bill De Blasio

classes and the uninsured, constantly struggle to avoid bankruptcy.

A second group, the big five voluntary private hospital networks, cited in the New York State employment statistics above, are flourishing because they attract privately insured patients, and receive massive private and foundation support. They advertise themselves as part of the “Luxury City” concept with which Mayor Bloomberg “branded” New York City for the world. Prior to the present COVID-19 crisis, these voluntary hospitals persistently offloaded “undesirable” patients into the public system. Now, as Governor Cuomo has emphasized, they must somehow find a way to set the past aside and cooperate in care of patients and shifting of medical personnel, something not readily achieved given the antinomy in the mission orientation of the two systems.

Michael Bloomberg completely absented himself from any fight to save the 20 closing hospitals or to even comment on their closures. Even the New York

Times found this complete silence newsworthy, but it is hardly surprising. Bloomberg's public career was sponsored by Wall Street's New York City Partnership and he was mentored by Felix Rohatyn himself. When Cabrini Medical System closed, Bloomberg quipped, simply, "You just can't have a hospital on every corner." A video which emerged during his ill-fated presidential campaign found him counseling that unless doctors could refuse to treat older people and send them home to die, present trends in healthcare would bankrupt the country.

Given his inclinations, Bloomberg would have privatized every single public hospital he could lay his hands on, but Rudy Giuliani, the Mayor who preceded him, had already tried a massive hospital privatization initiative which failed when New York's Court of Appeals stopped it. In New York's system of government, the governor and the legislature have far more nominal control of what happens than any Mayor, and both found Giuliani's initiative just too aggressive for the time. The Emergency Financial Control Board, the actual behind the scenes controllers of such events, agreed. Few realize that the EFCB, installed in 1975, can still override any decision by a New York mayor until 2033. Bloomberg did privatize laundry, sanitation, and dialysis services in the public hospital system, but otherwise stayed his hand.

Instead of publicly campaigning for the closures, with which he agreed, Bloomberg campaigned relentlessly for various "public health measures" targeting the poor while thrilling his obsessed, virtue signaling, millionaire constituency: the smoking ban, the soda ban, the trans fat ban. He claimed that these initiatives were more important than hospital closures because they would prevent unnecessary hospitalizations.

The tragedy at work here can be seen in the history and closing of just one hospital, St. Vincent's in Greenwich Village. The hospital opened in 1849 under the Sisters of Charity and the Brooklyn Archdiocese with a primary mission to treat all who walked through its doors, particularly the poor. It operated through cholera epidemics, typhoid epidemics, the Triangle Shirtwaist Factory fire, the sinking of the RMS *Titanic*, the FALN bombing of Fraunces Tavern in 1975, and the September 11, 2001 attack on the World Trade Center. It was the primary receiving hospital for victims of all of these events.

In the 1980s, St. Vincent's established the first AIDS

ward on the East Coast and became one of the leading research institutions discovering the mitigation measures which quelled that epidemic nationally and internationally. Faced with bankruptcy in 2005, based on the Medicaid cuts taking place in that period, it was finally closed in 2010, its land converted to luxury real estate development. The "market" you see, does not recognize great and hoary tradition or the expertise, intellectual capital, and potential for innovation and new discovery built through over a century of devotion to the public good.

What the virus has proved, abundantly, is that you cannot construct a viable healthcare or public health system on an economy, like New York City's, which couples a fifty percent poverty rate with one million millionaires receiving preferential treatment, all of it sold on the myth that you are operating a "competitive free market" in healthcare. But that, as we shall see, has been known, all along. It was the plan. "Efficiency," and the "market" after all, demand that the "losers" be triaged and closed out. It is a most effective cover for conscious genocide.

### **Step 1 in the Destruction: Ford Foundation, Rand Corporation, John Lindsay**

Prior to 1965, New York City still employed 865,100 manufacturing and related workers in printing, clothing, breweries, specialty construction, and in hundreds of small machine shops and factories. Other major employers included the ports involved in world trade. The City's industry was also fed by Grumman's participation in the Apollo and related space programs from Long Island.

The City itself was run by a coalition of Democratic politicians representing ethnic constituencies from all over the world, trade union leaders, civil rights leaders, and other representatives of the Franklin Roosevelt coalition. There were also, of course, national publishers, artists, and the intellectuals associated with the City's university and private college system and its cultural institutions, making the city the intellectual and cultural capital of the country. Wall Street and the Anglophilic establishment elite were hugely powerful, but operated largely behind the scenes, fearing and shunning public exposure.

In 1965, however, John Lindsay, the charismatic WASP and son of the establishment, was installed as Mayor of New York by Wall Street sponsors. This anomaly signaled that a huge phase change, a destruc-



LBJ Library

*Robert McNamara, Assistant Secretary of Defense for Systems Analysis. McNamara used the systems analysis approach to help create the “managed,” market-based competitive healthcare model applied by Mayor Bloomberg.*

tive paradigm shift, was being undertaken nationally and in New York City’s governance.

On the national level, John F. Kennedy, who had utilized the Apollo program to begin rebuilding an American system economy, prevented a world nuclear war staged by a mad defense and intelligence establishment over Cuba, and had begun to directly oppose the British led effort to drag U.S. ground troops into the disastrous Viet Nam war, had been assassinated in 1963. Malcolm X was assassinated in February of 1965.

President Johnson enacted the Medicare and Medicaid programs in 1965, creating the safety net for the poor, disabled, and the elderly in healthcare. But, at the same time, in March of 1965, the United States “officially” entered the Viet Nam War, although the CIA and the Pentagon had a covert presence in the country for decades prior.<sup>1</sup> In 1964, the Beatles came to the United States, officially kicking off the emergence of the rock, drug, sex, New Age counterculture. These were not unrelated events.

In 1964, the Ad Hoc Committee on the Triple Revolution had published a tract and presented it to President Johnson, arguing that the industrial age was about to be superseded by the information age and cybernetics,

1. As documented by historian Derek Leebaert, in his book, *Grand Improvisation*, Malcolm McDonald, Britain’s viceroy for Southeast Asia, had successfully been conducting a years-long campaign to draw the United States into Viet Nam, utilizing salons at his headquarters in Singapore, to seduce members of the U.S. establishment and military concerning the superior intellectual skills of the British in the counterinsurgency tactics needed to suppress popular rebellions.



JFK Presidential Library/Abbie Rowe

*McGeorge Bundy, as President of the Ford Foundation, reduced New York City to “strategic hamlets,” each given nominal “control” of services, as had been done in Viet Nam during the war.*

with all physical production done by robots and machines, necessitating the building of a post-industrial society. This document was foundational to both the New Left and the New Age counterculture.

In 1962, Mont Pelerin’s star U.S. economist, Milton Friedman, published *Capitalism and Freedom*, arguing that the government enjoyed monopoly control of public services and that a true capitalist economy required complete privatization of all of these services, including ending licensing of professionals, such as doctors. In the same work, Friedman urged that the post-war Bretton Woods monetary system must be abandoned and replaced by a floating exchange-rate system. This document was foundational to the neo-liberal and libertarian movements and was the founding document of the speculative, deindustrialized hell in which the world has lived since August 15, 1971.

[Here](#) is how Lyndon LaRouche described the underlying economic dynamics of the time:

Over the interval of 1965-1970, the rate of growth of the U.S. physical economy slowed toward a net zero growth for the economy as a

whole (in terms of rate of increase of physical output per capita, per household, per square kilometer). This slowdown was triggered by the “downsizing” of the highly stimulative, “post-Sputnik” aerospace “crash program” and investment tax credit programs upon which the post-1960 economic recovery from the 1957-1950 recession had depended almost entirely. This “downsizing” was worsened by the combined influence of such “post-modernist” lunacies as Robert Theobald’s *Triple Revolution*, Robert S. McNamara’s lunatic “systems analysis,” Herbert Marcuse’s ultra-leftism, and sundry “post-industrial” utopianisms. The international effects of these and similar “New Age” policies led to Prime Minister Harold Wilson’s November 1967 collapse of British sterling, and the ensuing first round of successive collapses of the U.S. dollar emerging visibly during February and early March 1968.



LoC/Oriando Fernandez

*John Lindsay, Mayor of New York City, 1966-1973.*

[Here](#) is LaRouche describing the broad cultural attack undertaken at the same time:

1964 was the year when what was to become an epidemic of invading British Beatles scuttled across Ed Sullivan’s national television screen. From that time on, the post-Kennedy years, 1964-1972, continued to be dominated by the spread of a radical change in the mental and other habits of much of the population. This change, called variously a “New Age,” the “sexual revolution,” “the rock-drug-sex counterculture,” or a “cultural paradigm shift,” spread like a new, virulent form of venereal disease, from among university student populations in the Americas and Europe, into broader layers of adolescents and young adults. As university graduates moved on ... to their more or less inevitable upward march through private and public institutions of power, the influence of this “New Age” gained a correspondingly stronger grip on the reshaping of our nation’s cultural and economic policies. By the middle of the late 1970s, New Age policy-thinking had fastened its Dracula like bite into the necks of our leading political parties and institutions of government.

For the traditional constituencies of the political parties, this change was not only merely a shock, but an economic as well as a cultural disaster. Every stratum of the population whose households’ standard of living and security was gained through participation in the frontiers of technological progress and increased productivity in agriculture, industry, and basic economic infrastructure, was experiencing shocking setbacks to its standard of living and general security.

Nowhere was this phase shift more pronounced than in Mayor John Lindsay’s deliberate profiling and targeting operations which ripped to shreds the FDR-led political alliance which had previously governed New York City. Lindsay, in conjunction with the Ford Foundation’s McGeorge Bundy, and deputy city administrator Emanuel Savas, did this by using the very same genocidal counterinsurgency, surveillance, and profiling strategies the United States was using in Viet Nam. They introduced community control of city services, particularly education, pitting blacks and other minorities against whites, and inflaming racial tensions throughout the City. They also demonized public sector workers, claiming that they were only out to enrich themselves.

Lindsay's deliberate and highly publicized dalliances with black gangsters, like Sonny Carson, contributed to the massive working class and middle class flight and demoralization, a flight to the suburbs otherwise resulting from the collapse of productive industries. At the same time, traditional constituency leaders, like former Manhattan Borough President Hulan Jack, were subjected to repeated prosecutions and harassment.

The destructive national economic trends cited by LaRouche were exemplified by the departure of the entire garment industry from New York City to the non-unionized South in pursuit of drastically lowered wages. Lindsay instituted tax and zoning policies which penalized the industrial base and rewarded real estate and financial interests. The result was a loss of 328,000 manufacturing jobs, 42% of the 1965 total, by 1975. Studies conducted by *EIR* during the early 1970s showed that the City was under-assessing real estate in the rich areas of Lower Manhattan and on the Upper East Side to the tune of \$33 billion a year.

As the result of lost tax revenues from the fleeing workers and businesses, zoning and tax policies favoring realtors and Wall Street's financiers, and long-term debt obligations to Wall Street, some of them going all the way back to the building of the subways, New York's finances were crashing. The national economic crash, in the wake of August 15, 1971, put it on the edge of bankruptcy.

Lindsay conducted a relentless campaign against the City's unions: police, fire, teachers, nurses and other hospital workers, in order to slash wages. Lindsay's Deputy Mayor for Administration, Emanuel Savas, had been the manager of "urban systems" for IBM and was and is one of the country's foremost advocates of privatization of public services. Savas' 1971 article, "Breaking Municipal Monopoly," carried Milton Friedman's theories to the extreme. Municipal workers relish crises to "increase their budgets": dirty streets are good for sanitation workers, high crime is good for police, and an epidemic is good for doctors and hospitals, he argued. Radical privatization would cure these distortions caused by the public monopoly on services.

The tactics the Lindsay Administration employed were derived directly from the counterinsurgency and depopulation strategies Robert McNamara's whiz kids in the Pentagon's Advanced Research Projects

Agency (ARPA), in conjunction with the Rand Corporation, were deploying in the killing fields of Viet Nam.

In a series of 1960s projects between ARPA's Command and Control Research Division and Rand, huge delegations of American psychologists and sociologists were deployed to profile the rebellious or potentially rebellious throughout Southeast Asia in order to pacify them, or, alternatively, to target them for assassination in the infamous Phoenix program, if they could not be pacified. Profile data, gathered for systems analysis predictive models and rapidly gathered and analyzed for the first time by computer, was to be the new revolutionary tool for counterinsurgency and mass surveillance.

As described in Yasha Levine's *Surveillance Valley, the Secret Military History of the Internet*:

A strange pseudoscience emerged. Blending free market economics and rational choice theory, military planners and scientists viewed the Vietnamese as automatons, nothing more than rational individuals who were acting purely in their self-interest. They had no bigger guiding values or ideals—no patriotism, no loyalty to their communities or traditions or to some bigger political idea. They were interested in nothing other than maximizing positive outcomes for themselves. The trick would be to peel the Vietnamese away from the insurgency through a mix of mass marketing, consumer style incentives, and a bit of tough love when nothing else worked. Cash handouts, jobs, small infrastructure improvements, land privatization schemes, anti-communist propaganda, crop destruction, mutilations, murder, assassinations—all these were legitimate variables to throw into the coercion equation.

In 1966, McGeorge Bundy, the foremost proponent of the Viet Nam War and these counterinsurgency strategies, left the White House to become the President of the Ford Foundation in New York. There, in conjunction with John Lindsay, he advocated a policy of profiling, bribing, or jailing New York's formerly politically unified leadership while reducing the City itself into ethnically homogenous strategic hamlets, like those which had been constructed to control or

eliminate the population of Viet Nam, each hamlet given nominal “control” of the services delivered to them.

This community control of services by ethnic groups living in hamlet-like enclaves in the City was to become the battering ram for breaking the unions and igniting fierce rivalries for declining services. Bundy and his friends already knew, based on their Viet Nam experience, that identity politics and the tribalism of strategically limited small communities, was the best, now refined, modality for the divide and conquer techniques which had been employed by the British Empire for centuries.

As [documented](#) by *EIR*, Lindsay and his financier and real estate sponsors undertook targeted arsons in the areas of the city designated for outright depopulation and/or “urban renewal.” Between 1966 and 1968, fires in New York increased by 42%. Understanding what was afoot, the Firefighters Union demanded 14 new fire companies and the City’s Public Employees Board granted the demand.

In response, Lindsay hired the Rand Corporation, the lead private contractor for ARPA in Viet Nam. Between 1968-1971 Rand conducted more than a dozen studies on overhauling New York City to slash both the budget and services. Acting on Rand’s recommendations 35 fire companies were eliminated between 1971 and 1976. Four fifths of the companies eliminated were in black and Hispanic neighborhoods, where the fires were being deliberately set. Two thousand four hundred firefighters were fired.

The assault against the teachers’ union was opened when the community-controlled school board fired union teachers at Ocean Hill-Brownsville in 1968, the same year both Robert Kennedy and Martin Luther King were assassinated. The teachers responded with a strike, which was uniformly opposed by the socialist left and the Ford Foundation, whose “identity politics” created and funded racial identity formations. The media deliberately stoked the battle by resort to racial profiling. The fake cartoon they concocted pitted the white Jewish teachers against the seething black militants. As the result of the King assassination and the events at Ocean Hill-Brownsville, the united front between Martin Luther King’s quest for economic justice and organized labor, the alliance at the heart of the civil rights movement, was destroyed.

Lyndon LaRouche responded to all of these developments with a relentless campaign of programs for economic development, basic science, and technological progress to be led by all of the producing classes of society—a campaign for what LaRouche dubbed, “the class for itself.” Most significantly, LaRouche stressed that there was a power of the mind unique to all human beings and that it was the mobilization of that power by reference to the history and reliving of fundamental discoveries in science, mediated by the instrument of classical culture, which were the lifeblood of any successful political movement. “Learn to use your mind like a boxer uses his fists,” was the way he repeatedly expressed that concept during this period.

LaRouche launched an intelligence operation to profile and target the dirty assortment of social scientists, psychologists, and knuckle draggers who, through Lindsay and the Ford Foundation, were now warring against the population of New York.

He published pamphlets and books about the fascist origins of local control and the New Left, intervening and pulling people away from the burgeoning anti-war movement, into an organization which would fight on behalf of trade unionists, farmers, scientists, teachers, entrepreneurs, and welfare mothers for fundamental economic progress while mastering the scientific principles and classics of human thought and culture which had led to previous dramatic upshifts in civilization, such as the Renaissance and the American Revolution.

At the same time, he campaigned internationally, for full scale development of the developing sector of the world, advocating a New Bretton Woods monetary system which would finance large-scale and capital-intensive development, contrary to the slave labor policies of the IMF and World Bank.

Based on his principled belief in the ultimate creative power of the human mind, and the type of infrastructure needed to foster it, LaRouche intervened on behalf of the teachers at Ocean Hill-Brownsville, exposing McGeorge Bundy, the Ford Foundation, and Rand’s dirty psychologists, sociologists, and systems analysts by name, directly, and earning an accelerating and full-scale FBI investigation with accompanying defamations, which would last for decades.

## Step Two: Big MAC, the EFCB, and the Birth of HMOs

As we detailed in Part II of this Bloomberg series, following Richard Nixon's abandonment of the Bretton Woods financial system on August 15, 1971, the U.S. economy was treated to a series of deliberate shocks, beginning with the "oil shock" of 1973. These shocks vastly contracted the U.S. science and industrial base and the infrastructure required for its continuing progressive development. America's Anglophilic oligarchical families laid out their plans in a series of papers and studies calling for "controlled disintegration" of the world's advanced industrial economies with outsourcing of production to cheap labor havens in the developing sector. Paul Volcker, through his reign at the Federal Reserve in the Carter Administration, administered the blows to the real economy which implemented these policies.

In 1974-75, the municipal financial crisis was manufactured in New York City by the same financial interests. Rather than solving the actual financial crisis with an orderly debt moratorium and reorganization, and a program to rebuild the physical economy of the city based on modern manufacturing and new industries exploring the frontiers of science—as demanded by the LaRouche movement, in political campaigns for Mayor, Senate, and Congress at the time—a financial dictatorship was imposed on the City to salvage Wall Street's unpayable debt.

Big MAC, the initial bankers' putsch, evolved into the Emergency Financial Control Board, both chaired by Michael Bloomberg's mentor, Lazard Frères banker Felix Rohatyn. Victor Gotbaum, the head of the largest municipal union, later admitted that he knew that the banks had "caused" the financial crisis. Nonetheless, he willingly helped destroy his own union as a member of the EFCB.

Historically, Lazard had played a critical role in the installation of the fascist regimes in Europe which resulted in World War II. Roger Starr, Rohatyn's {New York Times} mouthpiece, writing in the {New York Times Magazine} on November 14, 1976, openly declared what was in store: New York City had to be shrunk, its population drastically reduced by one-third, its services, including education and healthcare, rationalized and cut.



EIRNS/Stuart Lewis

*Felix Rohatyn's Emergency Financial Control Board engineered massive hospital closings and termination of other public health facilities.*

Starr issued the additional maxim:

Stop the Puerto Ricans and the rural blacks from living in the city ... reverse the role of the city ... it can no longer be the place of opportunity.... Our urban system is based on the theory of taking the peasant and turning him into an industrial worker. Now there are no industrial jobs. Why not keep him a peasant?

Under Rohatyn's EFCB, Lindsay's strategic hamlets were financially starved and strategic arsons now burned down whole sections of the city entirely, labeled "dead zones" by Roger Starr, as fire and police services to them were stopped. Financial services, "media," and entertainment became the economic drivers of the City.

New York City's public hospital system—the largest in the U.S. at the time—then consisted of 17 hospitals, providing at the time, over 3 million days of inpatient care, 1.5 million emergency room visits, and 4.5 million ambulatory visits. These hospitals were supplemented by a robust Catholic healthcare system dedicated, as a matter of principle, to serving anyone who walked in the door and the absolute sanctity of human life.

Rohatyn directly ordered the firing of 11,200 employees and the closing of four of the New York City Hospital Corporation's public hospitals. *The New York Times* on October 18, 1976, called for the "division of

the city into autonomous and semi-autonomous health care units” administered through community control and “a fundamental restructuring of reimbursement formulas to promote ... alternatives to hospitalization.” Stephen Berger had previously articulated the idea at the center of this policy: “One out of every four New Yorkers must go.”

In the complementary leadership decapitation strategy implemented by the Rand Corporation’s Deputy Mayor John Zuccotti, the popular leader of the Health and Hospitals Corporation, John Hollomon (also a revered hero of the civil rights movement), was fired. On his way out the door Hollomon stated the obvious: Rohatyn and friends were aiming to destroy “the municipal hospital system,” reorganizing that system under private Wall Street control.

At the same time, the Catholic hospital system was slowly starved to death as “entitlement” funding was cut again and again under successive Democratic and Republican administrations while, culturally, religious institutions were demonized in the public sphere.

In 1973, Richard Nixon signed the law allowing for the formation of Health Maintenance Organizations (HMOs) as a mode of healthcare delivery. This law was justified through a fundamental attack on the doctor-patient relationship. According to its propagandists, greedy doctors and self-serving patients were creating out-of-control medical costs by demanding treatment with the very best drugs, surgeries, doctors, and new technologies. These unrealistic demands and associated spiraling costs could only be controlled if there was a “market arbiter” or disciplinarian, dictating, via the invisible hand, what costs were reasonable. The HMO was to be this “market force.”

Paul Ellwood, MD, and Alain Enthoven, operating out of the Jackson Hole group in Wyoming, engineered the HMO law with assistance from Edgar Kaiser, the founder of the Kaiser Permanente managed care system. Since that time, all of the iterations of their healthcare reforms and similar plunderings of formerly public entities have been the same: Apply market-based systems analysis and privatization to all services previously operating under the principle of doing the public good; rationalize costs in such a way that Wall Street and the City of London maximally profit. The ridiculous profits at Kaiser Permanente have resulted in numerous regulatory actions by California

state authorities. Similarly, billions of dollars in profits accruing in New York’s voluntary hospitals feature multiple executives earning multi-million dollar salaries.

In 1989, Stuart Butler of the Heritage Foundation had designed all of the features of the Obamacare healthcare initiative explicitly. First implemented by then Governor Mitt Romney in Massachusetts, Butler’s 1989 plan was adopted almost verbatim by the Democratic Congress and the Obama White House in a lengthy political “battle” in 2009-2010. Founded in 1975, Heritage has been an “outpost of British intelligence in the United States,” according to admissions of Heritage staff to *EIR* investigators as far back as 1981. Heritage had engaged in a defamation campaign against LaRouche and a counterintelligence investigation was conducted by *EIR* at the time to determine what this institution was all about.

Stuart Butler, at the time, declared his mission to be “inculcating America with British ideas.” Butler’s plan for managing the “inner cities” was for “free enterprise zones,” “little Hong Kongs,” where the minimum wage requirement would be lifted and residents employed in small-scale equivalents of cottage industries, all “locally controlled.” Butler’s 1981 vision is little different from the “gig economy” operating in most U.S. locales today.

In 1977, a sister British-oriented think-tank to Heritage was founded in New York City, the Manhattan Institute, also pushing massive privatization of public services. Its founders were William Casey, who was to become director of the CIA under Reagan, and Sir Antony Fisher, a protégé of Friedrich von Hayek and himself also a member of the Mont Pelerin Society. Fisher was the intellectual guru to Margaret Thatcher.

### **Step Three: Deregulation and the Berger Commission**

While all of these evil ideas were pioneered nationally in the wake of August 15, 1971, there was widespread popular resistance, reflected in the blocking of the most significant initiatives by the Congress. The same revolt occurred when Obamacare was finally implemented in 2010. The potential for an actual revolution, overturning these deadly axioms, rather than simply resisting them, exists right now.

While plans were laid for full-scale privatization—

declared to be the revolution in public affairs of both the Reagan and Bush administrations—they were never fully implemented. Similarly, the nominally liberal Bill Clinton implemented a massive welfare reform, throwing thousands off the public rolls while privatizing programs to administer food stamps and other benefits. He also imprisoned minorities at a record rate under the 1996 Antiterrorism and Effective Death Penalty Act.

Clinton also implemented a “National Performance Review” through which Al Gore presided over a program designed to outsource most national government services.

While praised by Heritage as the most effective implementer of its privatization proposals, Clinton’s proposed healthcare reforms—hatched by his wife Hillary in secret sessions with Alain Enthoven, his protégé Richard Kronick, and other HMO ghouls from California—were dead on arrival in the Congress.

And, in New York, in 1982, legislators had come up with a plan, the New York Prospective Hospital Reimbursement Methodology (NYPHRM), which largely stabilized the hospital system. It was a price control system meant to control costs, ensure treatment to all, and offset losses on Medicaid. It required wealthy insurance plans and high-end hospitals to subsidize care for the poor and training of new medical residents. Medical training was a major historical and national activity undertaken by New York’s hospitals.

That changed, however, with the advent of the Newt Gingrich led “Conservative Revolution” in 1994-96. In March 1994, healthcare consultant John Rodat reported that New York’s per capita hospital spending rate was the second highest in the country, while spending on primary physician care was below the national norm. Both the rates of hospitalization and lengths of hospital stays were the highest of any available comparable datapoints. That, according to



*Stephen Berger, Executive Director of the New York State Study Commission on New York City.*

Rodat, and the people who were paying him for his finding, meant that the system was “inefficient” and costs were out of control. In response, a new system involving almost complete deregulation of costs was put into place by Governor George Pataki in the Health Reform Act of 1996.

The statement of intent for the new law said,

The NYPHRM system does not provide the economic discipline to contain costs, affects a shrinking proportion of the market, maintains excess hospital capacity, provides incentives to train too many physicians and inappropriately

targets funds for uncompensated care. [The new law would] promote competition in the health-care marketplace by increasing reliance on market incentives while reducing the role of regulation.

This reform set up the massive reduction of hospital capacity carried out both immediately before and immediately after the 2005-2006 Berger Commission under Pataki. That, along with Medicaid cuts and perverse incentives against acute care hospitals created under Bush and Obama, accounts for the closing of 20 hospitals with Bloomberg’s assent during his mayoralty.

Destabilized, just like the city’s finances under the Lindsay Administration and Rohatyn’s EFCB, the newly deregulated hospitals came under massive financial stress in the nine years before Berger wielded his axe. The grim reaper, Stephen Berger, points out in the Executive Summary of his Commission’s report that many facilities, “critical to preserving access” had already closed due to “market forces,” while others teetered on the brink of bankruptcy.

Berger targeted “excess capacity,” the number of hospital beds, as the major cause of what he announced was a major financial crisis in healthcare.



Courtesy of Bill De Blasio

*A protest rally at Foley Square against the closing of New York City hospitals.*

According to his report, “excess capacity” was dispersing, rather than concentrating the “volume” of medical procedures and the “expertise” required to perform them, diminishing quality of care. Excess capacity was resulting in “higher rates of hospital admissions and services,” in order to create the necessary hospital revenues through unnecessary admissions and stays. Excess capacity was also creating a medical arms race in which high-end technology was needlessly redundant. Further, low occupancy rates, resulting from excess capacity, were increasing financial pressures on institutions, particularly those serving the poor. And, of course, excess capacity was driving all costs since “bricks and mortar” based systems carried enormous fixed costs. Even empty beds, wards, and buildings had fixed costs and somehow diverted dollars from “otherwise productive uses and reinvestment opportunities,” by their very existence, according to Berger.

The New York American College of Emergency Physicians [said](#) that Berger’s analysis simply did not pass the smell test and swung into active resistance in alliance with the New York State Nurses Association:

No one needs to tell emergency medicine physicians that New York State’s health care delivery system is in crisis. Far too many New Yorkers

are uninsured or underinsured. We spend a disproportionately high percentage of the state budget on health care without a corresponding increase in health. Our emergency departments are gridlocked with inpatients, prohibiting us from providing the care new patients require. Our departments are flooded with patients without access to consistent outpatient psychiatric and medical care. *And we are asked to participate in planning for pandemic outbreaks and unnatural disasters while we acknowledge that we cannot provide care to the patients we already have?* [emphasis added]

And yet, a state commission has concluded that we have too many inpatient beds and that this inefficiency is a major contributor to the exorbitant health care expenditures. How is this conclusion, one that contradicts many of our daily experiences, possible?...

For many of us, the Commission’s recommendations do not pass a reasonability test. If keeping inpatient capacity at its highest possible percent is the driving force behind financial viability for a hospital, why do so many inpatients stay in our emergency departments? Why do we keep patients who could legitimately be inpatients in our emergency departments for 12

and 16 hours? Why do hospitals not have adequate resources to obtain the testing and treatment our patients need to shorten their inpatient stays?...

Nonetheless, by 2008, 2,800 of Berger's recommended 4,200-bed shrinkage of hospital capacity had been implemented and, more importantly, his specious arguments about "excess capacity" had become the reigning explanation for the "healthcare crisis." The second component of Berger's recommendations resulted in mergers of many smaller hospitals into the voluntary large hospital networks which dominate the "market" today. In 2010, Governor David Paterson closed St. Vincent's, the last of the City's flagship Catholic hospitals.

#### **Step Four: Obamacare and Its Perverse 'Incentives'**

As noted previously, Obamacare allowed for a vast expansion of Medicaid recipients and was supposed to deplete the ranks of the uninsured. In return, massive cuts to federal funding of Medicaid were legislated, particularly to the hospitals serving the poor, with the idea that revenues from the newly insured would offset the cuts in the federal share of state Medicaid funding. That did not happen. Medicaid enrollment failed to expand at the rate anticipated or, as in New York, did not outpace rising costs. From the time Andrew Cuomo took office in 2011, he focused on slashing the state's share of Medicaid costs, while maximizing federal funds based on the perverse incentives for closing hospitals embodied in Obamacare.

A series of reforms under Obamacare, allowed states to receive supplemental federal Medicaid funding if they were able to demonstrate that they were diverting patients from acute inpatient hospital care to community care in clinics or to gateway primary care physicians and HMOs. This was the impetus for Andrew Cuomo's first Medicaid Design Team featuring Stephen Berger.

And Cuomo echoed Berger's arguments about "over capacity" driving a healthcare crisis repeatedly. In an [interview](#) for *The Nation*, Sean Petty, a pediatric nurse in the Bronx and a ranking member of the New York State Nurses Association noted:

Andrew Cuomo has repeatedly stated, over and over again, that New York has excess capacity of hospital beds, that it's too expensive, and not needed and we need to reduce spending.

In 2014, Cuomo announced that he had worked out an \$8 billion dollar federal infusion for Medicaid based on a promise to reduce hospital use by an additional 25%. Shortly before the outbreak of the COVID-19 crisis, Cuomo also announced, that he was seeking \$400 million in cuts in the state's share of Medicare funding this year, part of \$2.5 billion in cuts he is seeking over five years. Cuomo has said that he is willing to risk more than \$6 billion in matching federal Medicaid funding already approved in order to enforce his austerity budget. This is being done to balance the state budget without raising taxes on the state's wealthy, as advocated by the Nurses and other hospital unions.

Cuomo has stuck to these planned cuts despite the fact that COVID-19 is crashing New York's existing delimited hospital capacity. The Chair of the New York State Senate's Health Committee, Gustavo Rivera, called Cuomo's planned cuts, "obscene" and "immoral" in remarks to *The Nation*. Under Cuomo's plans, many of the New York hospitals on the front lines of confronting COVID-19 would lose millions. Central Brooklyn hospitals, serving many of the borough's working class and poor would lose \$38 million a year. Manhattan hospitals would lose up to \$58 million a year. Sean Petty warned in his *Nation* interview that if Cuomo's budget goes through in this month as planned, next year's Health and Hospitals budget is "going to be devastating."

Hopefully, the virus, and Cuomo's brother's positive diagnosis, will result in Cuomo changing his axioms, the necessary element in winning this battle. And change anyone wishing to win must. That is the nature of the battle we now face and must fight and the call is to move forward now, courageously, forging the future. The battle is to win that future. And the casualties in that battle will be honorable and famous men and women, provided we transform the nation and the world. Those who stick with the axioms of the past 50 years will be the ultimate casualties, however, whether the virus strikes them now or they are struck, alternatively, on some fateful day in the future with history's moral judgement.