

# What's at stake, in the battle to save the nation's capital

by Anton Chaitkin

*This speech was given by EIR history editor Anton Chaitkin to community hearings on "The D.C. Reform Plan: Blueprint for Nazi Economics," organized by the Schiller Institute, in Washington, D.C. on Aug. 27. Chaitkin is the author of the book Treason in America, and the co-author of George Bush: The Unauthorized Biography.*

What is the Control Board? We have to know what it is. What is it for? It is for imposing what we call *austerity*: That means, further cutbacks in the living standards, in the services, in the incomes of the population of the city. That is the *purpose* of the Control Board. Now, the way they get away with this, is they say that the city is *spending too much*. Sometimes they don't say that directly; they say that it is *mismanaging* the money that it has. There are a lot of stories in the newspapers, particularly Katherine Graham's newspaper [the *Washington Post*]. This is an old line, as I'll tell you in a minute. But the city and the nation are spending *far too little*, and that's a scientific fact that can easily be determined. There's a terrible and terrifying underinvestment, as we know, in our infrastructure, in our society.

There was a change that was imposed by the people who put this Control Board into action. Who is the Control Board backed up by? It is the London financial boards, and their junior partners on Wall Street. That's who is designing that policy. They put through a change in the 1960s, after the murder of John Kennedy and Martin Luther King. The change was to stop the forward motion of our society in industry, in science, in technology, and the progress of the population's living standards. They took down the industry of the United States. They converted the whole economy, in the 1970s and '80s, to drug-money laundering, pornography, entertainment, and speculation. They closed steel mills. They closed nuclear plants. They stopped the space program. They closed down factories of all kinds. And they taught the children — many of you — that these things were not even good to have, that if you had somebody working for \$20 an hour in a steel mill, that was a bad thing, it hurt the environment. They said, just lower people's living standards; there's a New Age coming in, a post-industrial society.

They started demanding austerity in the cities. Before they did it here in Washington, you had it in New York City. They

set up a Financial Control Board there, because they claimed the city was bankrupt, and they had to "save" it. They did the same thing that they're going to try to do here. It was called Big MAC. The result of that was that *they devastated the city*. The Control Board devastated the city, *ruined* the city, lowered all the services, further bankrupted the city.

In the 1970s, after 100 years of no voting in Washington, the civil rights movement got us home rule, or a certain type of voting rights in the city of Washington. Mayor Barry was around then, and he got people some jobs, many jobs in the government, and so forth. There was a certain benefit there. *But the whole country's economy was being devastated by this*

## How Washington was built

*In New Federalist newspaper of April 3, 1995, Anton Chaitkin elaborated on the real history of the nation's capital. We summarize a few highlights here:*

The permanent seat of the federal government was fixed on the Potomac River by an act of Congress passed July 16, 1790. A "territorial" form of government was organized for the District of Columbia on Feb. 21, 1871, combining the governments of the City of Washington, Georgetown, and Washington County.

President Ulysses Grant appointed as governor Henry D. Cooke, the brother and partner of the nationalist railroad builder and banker Jay Cooke. Jay Cooke's bank had defied the London and Wall Street financiers and had raised money from ordinary citizens for the Union cause during the Civil War. Cooke's close ally, developer Alexander R. Shepherd, was the executive officer of the board of public works.

Grant appointed to the "upper house" Frederick Douglass and two other African-Americans, representing the tens of thousands of African-Americans who by then lived in the capital. Douglass had moved to Washington in 1870,

*financial and economic change to the post-industrial society.* Most of you never even saw a productive economy. Disintegration and drugs and prostitution and pornography and entertainment, is the only economy most people know.

Now this policy, of budget cutbacks, lower living standards, is being implemented all over the world. You must understand this: *This is a worldwide policy.* It is imposed by the International Monetary Fund, by the banking and financial lords that we're talking about. It is imposed on each country: They say you have to close government services altogether. That is called "privatization." Turn over your gold and diamond mines, and all of your assets, to foreign speculators. And shut down factories and schools and don't spend money. They do that in Russia now, in eastern Europe, all over Africa, South America. China's resisting it, because they've got power to resist.

What's the result? Look for this here, if we don't turn this around. Not just the standard of living is going down, but the longevity. People in Uganda are now living ten years shorter lives, on average, than they were a few years ago. The result of this would be a new Dark Age on this planet, if it weren't for the fact that the entire world economy, the financial system, is about to *blow up* because of the way they have mismanaged this world.

They talk about Mayor Barry mismanaging Washington, D.C. The people who put this Control Board in here, have *mismanaged the world*, and we've got to take it away from them. We've got to take the power over decision-making on world policy away from them.

That's the global setting.

Now, we had the right to vote in Washington, and a home rule situation, in a crucial moment of the city's history. Very little is known about it. And it was won by the United States Army defeating the Confederacy in the Civil War. Frederick Douglass—and I have here an article about the political history of the city, featuring Frederick Douglass's role [see box]—was the leader of the government of Washington, D.C. for three years: 1871, '72, and '73. Why is that important? Because, number one, they had partial home rule. And number two, they *built the city*. There was no Washington, D.C., as you know it, before that. It was a pest-hole. There were no paved streets, there were no sewers, people died of diseases all over the place. And in the space of three years, under the Presidency of Grant, Frederick Douglass, in the upper house of the city legislature, together with his employee, a guy named "Boss" Shepherd, Alexander R. Shepherd, working for Douglass, and Jay Cooke's brother Henry—they planted 50,000 trees; they paved hundreds of miles of roads; they built

---

and his newspaper, the *New National Era*, spoke eloquently for nationalism and civil rights, attacking British free-trade dogmas.

In the short time-span of its existence, Cooke, Douglass, and their allies changed Washington from a pigsty into a modern city, despite the frantic opposition of the British and the former Confederates.

The board of public works paved 150 miles of streets and laid down sidewalks. Gullies were filled in, swamps drained, and hills levelled. Gas pipes, water mains, and a massive sewer system were installed below, and gas lights above the streets. Some 50,000 trees were planted. There was a five-member board of health; John Mercer Langston, head of Howard Law School, was the health board's only African-American member and its legal adviser. The board of health started Washington's first street cleaning and garbage disposal program. It inaugurated a system of vacuum pumping and sanitary disposal from outhouses, and banned animals from wandering the streets.

In his 1873 Annual Message, the President praised the success of the D.C. government:

"Under the very efficient management of the governor and the board of public works of this District, the city of Washington is rapidly assuming the appearance of a capital of which the nation may well be proud. From being a most unsightly place three years ago, disagreeable to pass

through in summer in consequence of the dust arising from the unpaved streets, and almost impassable in the winter from the mud, it is now one of the most sightly cities in the country, and can boast of being the best paved.

"The work has been done systematically, the plans, grades, location of sewers, water and gas mains being determined upon before the work was commenced, thus securing permanency when completed. I question whether so much has ever been accomplished before in any American city for the same expenditures. The Government having large reservations in the city, and the nation at large having an interest in their capital, I recommend a liberal policy toward the District of Columbia, and that the Government should bear its just share of the expense of these improvements. Every citizen visiting the capital feels a pride in its growing beauty, and that he too is part owner in the investments made here."

He concluded, "I suggest for your consideration the enactment of a law to better secure the civil rights which freedom should secure, but has not effectively secured, to the enfranchised slave."

Within months, an attack was mounted in Congress against the D.C. government, which was accused of overspending and corruption. The government was finally abolished by an act of Congress of June 20, 1874, and voting by D.C. citizens was forbidden for nearly a century.

the sewers; they set up the health board; they made the city a beautiful place, on the model of Paris. And Frederick Douglass went over to Paris, to study that.

This is completely shut out of the history books. Yet the result of that, is that the city became a shining star, representing America to the world. How representing America? Representing what this country was supposed to do, from the Declaration of Independence, which was to say, “We have oppressed people; we can lift them up, get them energetic, get them proud of their country, get them working, and get them a decent wage.” And after the Civil War, a third of the population was black. It hadn’t been that way before. So, this was seen by the London and New York characters, and their stooges down South, as *dangerous*. That’s a dangerous thing for the world to see! Washington, the capital of America, uplifted in this way, especially with black leadership, Frederick Douglass himself, in the government. So, they attacked him.

What did they say? And you can read this in your history books. They said, “They’re spending too much money! They’re mismanaging the money! And the Negroes are allowed to vote on the bond issue.” The President didn’t agree with that, but he was weak. Does that sound familiar? President Grant praised what Douglass and the people were doing to build up the city, but he was being attacked by the newspapers—scandals, and scandals, and scandals. Does that sound familiar? So, they closed the city government. They bankrupted Frederick Douglass’s savings bank. They bankrupted the nationalists. Frederick Douglass was a *nationalist*, he didn’t believe in free trade. He wanted to build up the power of industry in the country, the power of the Army, to build railroads, and stop imports from Britain. And get every country doing that same thing.

So, they stopped the right to vote of people in Washington, D.C. When that was allowed by the American public, within a few years, they took away the right to vote of all blacks in the South, under the Jim Crow laws—the right that had been won in the Civil War.

To conclude, you have to look at this Control Board as something that it would be *fatal* to allow to continue. It is not a matter of seeing what they’ll do at some point—“maybe they’re going to take a little bit, take a little bit.” You have to look at the real world we’re living in. In the real world, there is a process under way, of putting about 90% of the people in this world to death, by this economic process, and by armies, and by various forces that they’re using now. So we have to say, as Frederick Douglass did, “Let us look at this city. Think high! Be totally ambitious, it’s the only way to do it.” Because we’re in a world depression; anything else is unrealistic.

This city is the capital of the United States. It is supposed to represent the greatest accomplishment of civilization. And it is going to sink back into the status of a pest-hole, like Bombay, India, under British rule, unless we take these people, these liars, who have set this thing up, to take away all

the rights and to kill the people in the city—unless we push them out.

---

## From the question period

---

**Q:** Go back for a moment and compare the District of Columbia with New York City, and the New York City Control Board.

**Chaitkin:** There is a difference between Washington and New York City, you’ve got to understand that first. New York City was a great manufacturing center, and it’s also a huge city. This is not as big a city, although there’s a lot of sprawl and so forth. New York City was a testing ground, where they first decided they would have to smash the population, if they were to do it anywhere in the country. They had to smash the unions; they had to smash the civil rights movement. And the way they decided to do that, was to put in this Control Board, and at the same time, to get the people of the city fighting over a shrinking budget. They divided the School Board up into, I think, 26 different districts. Each would get a part of the budget. Who needs more money, this district or that district? Blacks or Hispanics? What about the unions? “They’re taking your money away.” How about the welfare recipients? “They’re taking your money away, if you’re employed.” That’s what they did.

Washington, D.C. is not a manufacturing center. It’s almost entirely government and support for that. It’s also international. Therefore, there are two things to say about what this place needs. In this area, industry has collapsed, except for things related to the military or space program, and so forth—so-called high-tech. It’s not really high-tech, because most of the high-tech has been destroyed in the country. But it’s insane to say that Washington, D.C. can stand on its own, industrially. This is the capital of the country. The people have to be considered in that light. There need to be plans for this entire region, industrially. But also, the city has to be the center of massive improvement, of every aspect of life. The thinking on this is completely upside down. The idea that a neighborhood of Washington, D.C. should be self-sufficient, like Jack Kemp’s idea about enterprise zones, is silly. Because, first of all, capital is flowing into speculation; they’re not going to put money here unless they decide that people are totally slaves. Then they’ll put in a little, a tiny pinch, as they go down. But this city has to be built up, as a national decision.

What’s the main employer in Washington, besides the government? The main employer is the South American and Asian *drug cartels*, managed by the bankers who launder the money. They employ the youth in the city. Why don’t we have other employers? We need to have employers who are designated to be employers, by action of the Federal government, providing cheap credit, for people to build businesses, and also for government agencies, to build infrastructure. That’s the only way it’s going to work.