

# D.C. General and Berlin's Moabit: A Tale of Two Hospitals

by Alexander Hartmann

Sometimes, similarities between political events, proceeding at two distant locations, at the same time, can be astonishing — so much so, that one is tempted to assume that the same brains were responsible for these events, even if that cannot readily be documented. Or, is it rather that those responsible are “*gleichgeschaltet*” in their way of thinking; that is, basing judgments on the same criteria, and, therefore, coming to the same results and decisions? In the following, I will present a shocking example of such cases, and leave it to our readers, to draw any conclusions.

This is the case of two national capitals and of two hospitals within these capitals: Washington is the capital of the presently most powerful nation of the world, the United States. In Washington, there is a (until recently public) hospital, which is supposed to be closed: District of Columbia General Hospital. The other capital we are talking about is Berlin, the capital of the economically most powerful nation of Europe, Germany. As in Washington, there is a public hospital in the process of being closed: Krankenhaus Moabit.

Both hospitals have a history. D.C. General was founded in 1806, as the first hospital within the newly founded capital of the United States, and has been one of the pillars of health care for Washington's population. It is the hospital of last resort, providing health care to everyone in need, regardless of their ability to pay, and it is located in a quadrant of the city with a very high percentage of black and poor people. Without the hospital, death rates among the poor, which are already as high as those in Third World countries, will rise further.

Krankenhaus Moabit was founded by none other than Rudolf Virchow, the “father of public health,” as a tuberculosis clinic. Working at this hospital, Robert Koch discovered the bacterium that causes tuberculosis. Today, it is the most important hospital in the district of Moabit, one of the poorest sections of Berlin — in some of Moabit's streets, unemployment is at 40%, and the percentage of Turks and Arabs is exceptionally high.

## The Anacostia and Spree Rivers

On the other hand, the two neighborhoods have a special location which is attractive for real estate speculators. D.C. General is located right by the Anacostia River. Nearby, there is the D.C. Jail, the Robert F. Kennedy Stadium, and the D.C. National Guard Armory. Only about two miles away, there is

the Capitol and Union Station. Right around D.C. General, there are public parks along the river.

Well, a private cabal, the Federal City Council (no relation to the elected City Council), headed by *Washington Post* owner Katharine Meyer Graham, thinks it were nice to have a marina at these parks, especially if the marina could be surrounded by posh high-rise apartment buildings, which would create huge profits for real estate speculators, and attract wealthy — tax-paying — citizens for the city. There is only one problem with the idea: In order to pull it off, the black folks have to leave. There is even a *terminus technicus* for this urban renewal policy: It is “Negro removal.” An obviously racist policy, but that does not deter those pushing it; rather, it may very well be their reason to push it.

What Anacostia River is for Washington, is the Spree River for Berlin. On its southern bank, some illustrious people reside: Bellevue Palace is the residence of the President of the Federal Republic of Germany, and only a few hundred yards away, there is the new Office of the Chancellor and his residence, inaugurated on May 2, and, a little further, the Bundestag, Germany's Parliament. Right across the street from Krankenhaus Moabit, is the newly built Federal Ministry for the Interior.

Possibly the most famous building in district is Moabit prison, and close by is the Post Stadium with 50,000 seats. At the eastern end of Moabit, Berlin's new central railroad station is being built, to be completed by 2004. On the other side of the station, there are the Federal Ministries for Economics and Transportation.

All these Federal Institutions have hundreds of well-paid employees, who can reach their offices in a few minutes from Moabit. And someone might think, that real estate prices would explode, if one could exchange the Moabit Turks for Federal civil servants. For commercial real estate, floor-space on Moabit's Stromstraße, which sells for 2,100 deutsche-marks per square meter, is the most expensive in all of Berlin. There has been speculation in residential apartments in Moabit, too — with such activities, the publisher of extreme right-wing *Nationalzeitung*, Dr. Frey, and a company with connections to Scientology made headlines several years ago. But, might not someone have come upon the idea, that their profits might be “peanuts,” compared to what could be made by “de-Turking” Moabit?

One of the instruments used to “gentrify” city districts is to raise housing rents. But, since some cities have rent control, another tool has proven effective, as was done in New York: You can make life miserable for the inhabitants, by closing down public services — such as the public hospitals!

In the case of D.C. General, no replacement is planned, or rather, the promised replacement is in another part of the city. A central role is being played by private “health-care providers,” which buy up several hospitals in a city, and close some of them, in order to run those left at much greater profit.

In the case of Krankenhaus Moabit, there is talk that the “health-care campus” shall be preserved; but, how should the working poor benefit from a private hospital, which has been removed from city’s “hospital bed plan,” and therefore, is unavailable not only to uninsured people, but even to those enrolled in Germany’s state-chartered health insurance, which is (still) better than some “health maintenance organization”? For higher-level Federal civil servants, who are usually so well-paid that they have private health insurance, this won’t be a problem, of course.

Well, unlike Washington, where KKK-Katie Graham’s Federal City Council has provided evidence, in the form of a publicly presented model of the new marina-centered settlement, that these are no mere conspiracy theories, such plans have not been published for Moabit — not yet, at least.

### The Case of Klaus Theo Schröder

But, there is some evidence of such plans which might be considered admissible in a courtroom. For example, there is a company called Rhön-Klinikum AG, which is negotiating to buy up several public hospitals in Berlin. What has this to do with Krankenhaus Moabit? Well, the plan to close Krankenhaus Moabit and other health-care facilities in Berlin was drawn up by a certain Klaus Theo Schröder (no relation to Germany’s Chancellor Gerhard Schröder).

Klaus Theo Schröder started out as an aide to the present manager of Germany’s governing Social Democratic Party (SPD), Müntefering, when the latter was still in the state government of North Rhine-Westphalia. In the early 1990s, he was “on loan” for five years to Thuringia, one of the five new states that joined the Federal Republic of Germany after the fall of communism. In those five years, Schröder taught the East Germans how to run health care à la free trade — eliminating 2,500 hospital beds in a state with 2.5 million citizens.

When his five years were up, in 1999, there was a reshuffling in the Berlin government (Berlin is one of Germany’s 16 states), and the new Senator for Health, who had no experience in the field, needed an “expert” deputy. Schröder went to Berlin, where, within four months, he drew up a completely new hospital plan, including the closure of Krankenhaus Moabit, and the privatization of other state-owned hospitals.

Only months later, Schröder left his position, to become an executive of Rhön-Klinikum! When, shortly later, Rhön-Klinikum placed a bid for Berlin’s Klinikum Buch — “the

biggest hospital in Eurasia” — in the far northeast of the city, there were press reports about Schröder having insider knowledge. As of March 2001, Rhön-Klinikum seemed to be all set to take over Klinikum Buch, while other contenders threatened to sue over Schröder’s involvement. But, in early May, it was announced that Buch would be bought up by Helios, another hospital chain. Rhön-Klinikum had insisted that Buch slash more jobs than the city was willing to allow.

But by then, Schröder was no longer at Rhön-Klinikum; in November 2000, he had moved on, becoming an expert for the new Federal Health Minister, Schmidt.

Soon afterward, it became known, that the Bundeswehr, Germany’s defense forces, wanted to relocate their 300-bed hospital in Berlin. The new 500-bed facility, of which 200 beds are for civilian use, is to be built at the compound of the famous Charité hospital, which is only about two miles from Moabit. And, sure enough, Rhön-Klinikum is said to be interested in running that hospital.

*Honi soit, qui mal y pense. . .*

### The Case of Klemann, Ristow, Ehlerding & Wissmann

There is another case of musical chairs between public and private executives reported from Berlin. The former Berlin Senator for Construction, Klemann, whose responsibilities

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*A demonstration against hospital closings in Germany. The signs read: "Are you in pain? No problem—until the next time you have to go to a hospital!"*

included public housing, went into the "private sector," becoming an executive of the GEHAG housing company. GEHAG used to be owned by the city of Berlin, and, like most large housing companies in Germany, had been a non-profit company, until non-profit status was legally abolished in the early 1990s.

Under Klemann, GEHAG, which owns 30,000 apartments, had been sold to RSE, whose chairman Lutz R. Ristow had been Senator for Economics in the city government of Hamburg, before he bought the Rinteln-Stadthagen Railroad Co. (RSE). It is known that men like to play with trains; but, Ristow wanted a really big railroad; so, he bought 35,000 apartments for his company in Berlin. Later, he merged his RSE with the WCM (Württemberg Cattun Manufacture) of Karl Ehlerding, who, like Ristow, was collecting apartments. In the meantime, Ristow left the company, and bought up—the Tegernsee railraod, to keep on collecting apartments.

As mentioned, Ehlerding likes to collect apartments, too, and after the merger with RSE, he owned 70,000. His hobby

got him into the headlines: He and his wife donated close to DM 6 million to the Christian Democratic Union (CDU), the major conservative party, making him its largest contributor in 1998.

All well and fine—but embarrassing, when the word spread, that CDU Treasurer Matthias Wissmann, in his earlier incarnation as Federal Transportation Minister, had sold 31,000 apartments owned by the Deutsche Bundesbahn, the German state-owned railroad, to Ehlerding. The scandal forced the sale to be cancelled.

### **Bankruptcy Vultures Circling Over the City**

Behind all of this, is the miserable financial condition of the cities. Five years ago, the U.S. Congress, which is responsible for the District of Columbia's finances, effectively put the city into receivership under the Financial Control Board, with far-reaching authority to interfere with Washington's administration. Berlin's situation is becoming similar: The city's debt is exploding, and it is widely known that the city-owned Berliner Bankgesellschaft, which posted some DM 6 billion in losses, due to real estate speculation, needs a huge capital infusion to avert bankruptcy. Whereas the city-state had planned to raise DM 2 billion by selling its 57% share in the bank, it must now cancel the sale, and go deeper into debt, to bail out a truly profligate institution, while turning its back on a truly worthwhile one.

It is at least an interesting question, whether this financial crisis has been arranged, in order to increase "privatization pressures," and thus possibilities for speculative profits. In any case, the practical consequence is, the city is now trying to raise cash fast, through privatization—of hospitals, for example.

### **By Legal Means, or Otherwise**

Although the privatization of Krankenhaus Moabit is not as obviously connected to real estate speculation as in the case of D.C. General, the two cases clearly have something in common: Political institutions have been working to shut the hospitals down, using all possible means, including some which make a mockery of democracy and rule of law (and at least suggest that there is massive corruption involved). In both cases, the political argument goes, the hospitals are running up debts, and are "economically not viable." But, on closer inspection, we see, in the case of D.C. General (and all U.S. hospitals), that budget cuts in Medicare and Medicaid, the Federal health insurance for the elderly, poor, and disabled, have slashed reimbursements to health-care providers, and now deem some routine services to be "excessive." But the Congressmen who voted up the Balanced Budget Act cuts in Medicare and Medicaid, are the same ones demanding the closure of D.C. General, because it can't stay within its vastly underfunded budget.

And in Berlin? The two major health insurance plans in the city are the AOK, the public health insurance for the city,

and the BKK-Berlin, which covers city employees. Both are supervised by the city-state government. Both plans were quite late on payments, when changes in the Federal law threw them into financial difficulties, and they suddenly, and illegally, started to withhold payments, disputing the legal standing of the hospitals' claims.

The city authorities told the hospitals to go to court, instead of outright ordering the insurance companies to pay according to legally mandated procedures. The city government knew full well that this would bankrupt Krankenhaus Moabit, long before it could exhaust the legal appeals process. "We cannot interfere into an ongoing court procedure," said Berlin's Pontii Pilati, washing their hands of the constitutional principle of the Common Good. Faced with the imminent bankruptcy of Krankenhaus Moabit, the Borough of Berlin-Mitte, which technically "owned" the city-owned hospital, and had supported the hospital against the city government's arrogance, decided to turn the hospital over to the city government, thereby sealing its fate.

### The LaRouche Factor

In Washington, the result might have been similar, if the LaRouche movement had not made the fight to save the hospital an international *cause célèbre*, in the name of fighting for the general welfare of all citizens.

As of this writing, the Coalition to Save D.C. General

Hospital is mobilizing for a citywide rally on June 6; lobbying in Congress to overturn the illegal contract closing the hospital and to appropriate the funds to keep it operating; and organizing to pack the Federal courthouse on June 8, when the lawsuit, brought by City Councilmen Kevin Chavous (D) and David Catania (R), seeking an injunction to keep the hospital open, will be heard. At the same time, resolutions are pouring in from state legislatures and city councils throughout the country, and even from abroad—including from some of Krankenhaus Moabit's medical staff—rejecting the closure of D.C. General.

The battle for D.C. General has widened to become a fight in which every Congressman has to take sides, and must say whether he is ready to uphold the Constitutional principle of the General Welfare, or not. And these Congressmen know that they will be judged by their constituents accordingly.

What can we learn, from this tale? It is wrong to give up the battle for the Krankenhaus Moabit. Rather, the probable corrupt background to this affair has to be thoroughly investigated, and all deputies in Berlin—in both the city council and the Bundestag—have to be confronted with the question, whether they place the financial contributions to their parties above the well-being of Germany's citizens.

At a time, when all over the world, old and new diseases are appearing with ever-greater virulence, no country can afford to close even a single hospital.

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