Q: Last month, a Japanese economist, who was interviewed by my colleague in Tokyo, said the U.S. dollar crisis was approaching silently. The dollar was facing devaluation, and in the worst scenario it could collapse, which would bring a great shock to the world economy, if the expanding U.S. trading deficit and debt were not stopped or solved. What is your comment on this, and in what circumstance, might this terrible assumption become a reality?

LaRouche: This fear is a reality. Were I the President of the U.S.A., which I am not, and will almost certainly not become soon, and had I support of the leading U.S. political party in the Congress, I would be prepared to take appropriate cooperative action with some leading nations, and this could halt the collapse-process, and would lead to a new, global fixed-exchange-rate monetary system through long-term agreements, of a quarter to half century, among leading nations and groups of nations. As long as we have the current U.S. President and Vice-President, safe escape from a likely global chain-reaction collapse is not probable.

Q: At present, the U.S. government is pushing very hard for the Chinese RMB (yuan) to be increased in value. How can we explain this practice, against your not wanting a devaluation of the dollar, and what are the impacts on both the U.S. and China if the RMB's value continues to climb?

LaRouche: While I would wish a lower rate of China's dependency on cheap exports, and more concentration on China's internal development, any devaluation of the U.S. dollar, as by increasing the relative price of the RMB, would tend to unleash a catastrophe. Unless the U.S. agrees to the kind of reform I have indicated, there are no current remedies for the crisis presently in sight.

Q: In order to prevent the U.S. dollar from too much devaluation, what must the international community do, in your opinion, especially from the China side?

LaRouche: Long-term trade and investment agreements, based on physical, rather than current monetary-financial values, especially for projects in technologically progressive investments in basic economic infrastructure, are always correct steps of reform. Such steps will tend to minimize the effects of a crisis, and will provide the benchmarks for needed general agreements of reform among nations.

Q: China now is one of the countries in the world with a huge amount of U.S. dollar reserves. What are the potential risks to China? What are your suggestions for China to use those dollars effectively?

LaRouche: Were I a citizen of China, I would emphasize the use of such monetary assets as long-term credit for technologically progressive investments in creating (physical) basic economic infrastructure, both within China, and in joint Eurasian development programs.

Rohatynite Slashes New York Health Care

by Patricia Salisbury

Despite the well-documented crisis in every area of the nation's health-care system, a commission headed by a longtime partner of Felix Rohatyn, has released a report recommending draconian cuts in the New York state hospitals and nursing homes. The report of the Commission on Healthcare Facilities in the 21st Century is now on a fast track to implentation in January 2007, thanks to provisions which turn its recommendations into law if the state legislature, which is prohibited from amending the report, fails to reject it by Dec. 31.

The Commission was handed its extraordinary powers by New York Gov. George E. Pataki and the state legislature. And the Bush Administration is doing its part, with a promise in October of $1.5 billion over five years for implementation of the report, with a key stipulation: The legislature must accept the Commission's recommendations wholesale.

New York's Commission on Healthcare Facilities in the 21st Century was formed in 2005 with a mandate to recommend changes to the state's health-care system. On Nov. 29, 2006, the Commission released its recommendations, which include the closing of 9 hospitals and restructuring of another 48. If implemented, the cutbacks would affect about one-fourth of the hospitals in the state, eliminating 4,200 hospital beds, or 7% of the total numbers. The Commission is also proposing to shut down 3,000 nursing home beds (3% of the total), and privatize hospitals currently run by the State University of New York. Moreover, the restructured hospitals would be subjected, in most cases, to radical downsizing, merger, and elimination of entire areas of services.

The stated central assumption of the report is that the crisis in the New York State health-care system is "overcapacity," although 70 hospitals and more than 63 nursing homes have closed since 1983. Ignoring the fact that 20% of the state's residents under age 65 are uninsured, and that hospitalization costs are a crisis for even most middle-class families and individuals, and without even a token mention of threatening pandemics such as avian flu, the study asserts that hospital beds are empty throughout the state. It then determines to eliminate these beds by "rightsizing" institutions in order to save and redirect money.

The Commission's proposal for massive closings and downsizings is accompanied by vague promises that eliminating the costs associated with "brick and mortar" institutions and hospital beds will permit an increase in primary care physicians, preventive health care, and community-based service.

Commission chairman Stephen Berger, of whom more will be said below, stated bluntly that the restructuring proposals are the most controversial and far-reaching aspects of the report, because they impact fully one-quarter of the hospitals in the state. In fact, 20 hospitals are being shut down, if one includes the proposed hospital mergers and conversions to other uses. For example, the Commission recommends that government-owned hospitals in Buffalo and Syracuse merge with private hospitals, without regard to the fact that their employees are organized in different unions, and they have different governing structures. Other hospitals are ordered to completely revise their functioning, as in the case of TLC Lake Shore Hospital, which must downsize all 42 medical/surgical beds and 40 nursing home beds, and convert itself into a diagnostic and treatment center.

Commission Head Berger Keeps Bad Company

The Commission on Healthcare Facilities is chaired by Stephen Berger, a financier and longtime partner-in-evil of synarchist operative Felix Rohatyn. From 1976-77, Berger was executive director of the Emergency Financial Control Board, the enforcement arm of Rohatyn's Municipal Assistance Corporation ("Big MAC"), responsible for devastating the public infrastructure and workforce of New York City in the mid-1970s. More recently, Berger has been a trustee, along with Rohatyn, of the Citizens Budget Commission, which publishes frequent recommendations for cutbacks in public employee pensions and wages.

Berger is also a principal in Odyssey Investment Partners, which in 2000, along with another investment house, bought Dresser Industries, an oil field services operation, from soon-to-retire Halliburton CEO Dick Cheney. Dresser had originally been acquired from the Brown Brothers Harriman gang. Berger officially went on the Board of Cheney's cast-off Dresser in 2005. Earlier, Berger had been a principal in Odyssey Investment Partners' predecessor company, Odyssey Partners, where he was associated with Jack Nash, the founder of the firm. Nash is a longtime political and business partner of the Democratic Party wrecker Michael Steinhardt, and has financed the incendiary activities of the Meier Kahane-inspired new "Sanhedrin" (council) in Israel, which wants to restore the Biblical monarchy and overturn the "too-liberal" Israeli government.

Numerous political figures and medical professionals are denouncing the Berger Commission plan as targetting the smallest and most vulnerable institutions for shutdown and downsizing. Dr. Alan Sager of Boston University, the current principal investigator in a long-term study of the impact of hospital closings (which has followed 1,200 hospitals, in 52 cities, over the past 60 years), has been widely quoted characterizing the Commission report as favoring "Wall Street rather than Main Street." Sager also said the Commission report was in line with similar actions which favor "the survival of the fattest," that is, boost the market power of the surviving hospitals and do nothing to effectively contain costs or expand services. Sager's study has found that hospital efficiency has no association with survival, and that in general, hospitals located in minority neighborhoods have been significantly more likely to be shutdown.

Other supporters of the threatened hospitals have pointed out that one of the hospitals on the closure list, Westchester Square Medical Center, was listed by the Commission as having the lowest treatment cost for Medicaid patients of any hospital in the Bronx; and that it runs at a profit. They have questioned the logic of shutting down lower-cost institutions, where the average cost may be $1,000 a day, and shunting patients to nearby institutions, where the average cost is $1,500 a day.

Cabrini Medical Will Fight Closure

Among the nine Hospitals slated to be closed, is the venerable 114-year-old Cabrini Medical Center on East 19th Street in Manhattan, which is run by an order of Catholic nuns. The Center prides itself on its community-oriented patient care; some of its affiliated physicians still make house calls. On Nov. 30, the administrators of Cabrini Medical issued a press release rejecting the Commission's plan to close the hospital, and vowing to strenuously fight any efforts to implement the plan. The release pointed out that Cabrini has been undertaking a reorganization which anticipated the recommendations of the Commission, and that contrary to the Commission's assertions, Cabrini's quality of care exceeds state standards.

The hospital has initiated an e-mail protest to the state legislature, and announced a candlelight vigil and rally in support of keeping the hospital open. Supporters of other threatened hospitals are also organizing resistance. Congressman Anthony Weiner, who lives near New Parkway Hospital in Queens, and who was recently treated there, led a rally at which he was joined by hospital workers, other elected officials, and area residents.

And the Vultures Are Gathering

Not surprisingly, the recommendations of the Berger Commission are expected to provide a windfall for the wheelers and dealers in the astronomical New York City real estate market. According to a Nov. 29 article in the *New York Sun,* the Commission has ordered that real estate assets held by the Manhattan Eye, Ear, and Throat Hospital on the Upper East Side, St. Vincent's Midtown Hospital in Hell's Kitchen, and Cabrini Medical Center near Gramercy Park, be sold off for "development," in order to pay existing debt or to fund health activities other than acute care. Developer Robert Knakal, chairman of Massey Knakal Realty, is quoted explaining that the demolition of the existing buildings, presumably to make way for high-rise luxury dwellings, would be the best use of the properties. Other sources have estimated that the site of Cabrini Medical Center could be sold for about $130 million for condominium development.