Gramm "conservative revolutionists" in the Congress.

Lazard man Raines had first floated the idea for the Control Board vise grip over the District budget and major social service agencies at a Jan. 14, 1997 press conference, at which he vowed to administer "tough love" to a city whose elected officials had failed, in his opinion, to impose enough austerity. The final version of the bill was passed as a rider to the Balanced Budget Act of 1997, another piece of Schachtian austerity strait-jacketing. It gave the Control Board dictatorial control over Fire and Emergency Services, Public Works, Administrative Services, Corrections, Human Services, Consumer and Regulatory Affairs, Employment Services, Housing and Community Development, Personnel, and Procurement. Public Schools, Police, and Financial Management had already been turned over to the Control Board in the initial 1995 legislation.

When the final version of the 1997 plan was sealed, in a midnight "compromise" between the White House, Gingrich, and Senate Majority Leader Trent Lott (R-Miss.), the *Washington Post* the next day gloated, in banner headlines, "D.C. Rescue Agreement Strips Barry's Power," a reference to Mayor Marion Barry. That compromise had been orchestrated by Holmes Norton and Sen. Lauch Faircloth (R-N.C.), who at the time headed the D.C. Appropriations Subcommittee.

In an Aug. 2, 1997 open letter, Holmes Norton portrayed herself as a heroine, for having forced Faircloth to drop his demand that the District's elected mayor be replaced by an appointed city manager. "My only recourse," she pleaded, "was to appeal to the Republican leaders to accept my counterproposals rather than Faircloth's in order to preserve home rule." Her counter-proposal, in fact, endorsed the Congressional/Control Board rape of the District, preserving only the fig-leaf of a powerless mayor under the hypocritical slogan, "home rule."

Mayor Barry had a clearer sense of the reality of what had just transpired. "Senator Faircloth," he wrote, "who has led the effort to re-colonize the citizens of the District, has raped democracy and freedom. Apparently Senator Faircloth and other Republicans feel free to trample over our rights with impunity."

Former City Council member H.R. Crawford went one step further, daring to point a finger the infamous "Plan," the Federal City Council and KKK-Katie Graham's dream-scheme for driving the poor African-American population out of the District in sufficient numbers to restore white majority rule. "We were doomed from the start with this limited home rule," Crawford told the *Post*. Congress was never going to let control of this nation's capital slip away. It feeds the idea that the city would be returned to Congress and the majority will move back in." He continued, "There's always been an undercurrent that this city would eventually become the Manhattan of the South and Prince George's County [Maryland] would become the old Harlem. And that's exactly what's happening now. You can see the shift in population, already."

The 'Bleaching of Chocolate City'

by Edward Spannaus

As we noted in our article on Katie Graham's "Invisible Empire" in the April 13, 2001 issue of *EIR,* black activists have often referred to the projected reduction of Washington's black population and their replacement by affluent whites as simply "The Plan."

At the same time that *EIR* and the Coalition to Save D.C. General Hospital were circulating our charges about Katie Graham's promotion of "Negro Removal" scheme, her *Washington Post* ran a column in its April 10 edition, which began by referring to "the age-old argument over whether Washington is succumbing to The Plan—that mythical but perpetual design for returning the city to white domination."

The column described the changes under way in the U Street corridor in the Shaw neighborhood, an area wracked by the urban riots of the 1960s:

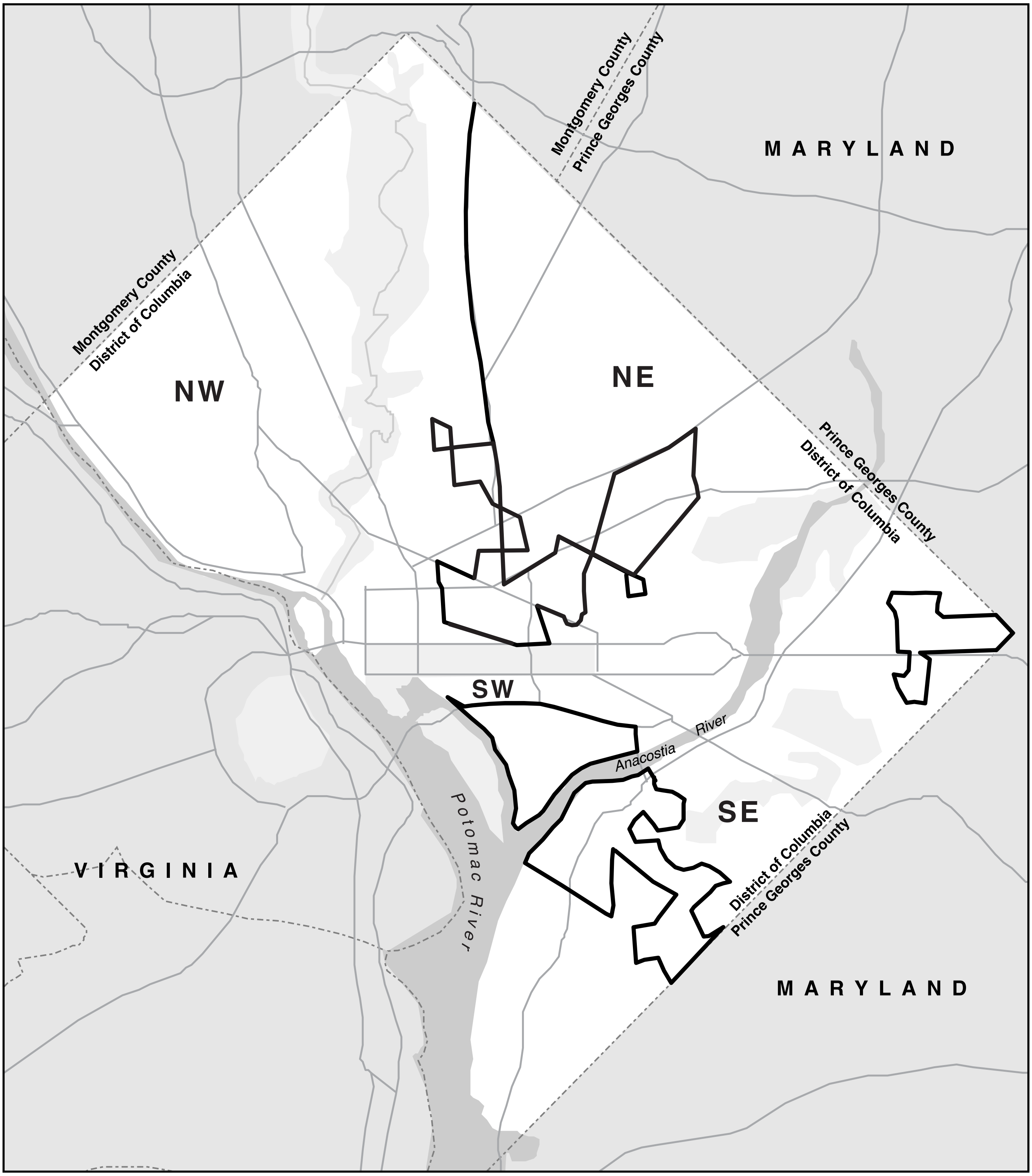
"Now U Street is the vanguard of Washington's most dramatic gentrification since World War II, an economic transformation that has returned the street to its roots as an entertainment corridor and is replacing the Shaw area's urban decay with $400,000 townhouses and shops selling $2,000 coffee tables."

This followed a big feature on the U Street in the March 24 real estate section of the *Post,* which described how townhouses are being built on the site of the former Children's Hospital, with the smallest model now selling for about $375,000. Renovated townhouses are selling for $500-$600,000. New three-story townhouses are selling for $700,000, and developers are contemplating rents of $3,000 a month. And who's moving in? The description provided by the *Post:* "many young, many gay, many white."

A letter to the editor, criticizing the *Post*'s lopsided coverage, noted that the longtime residents of the neighborhood have devoted their lives to the neighborhood, sticking around and hoping things would get better. "Now that they are getting better, they're being kicked out, because they can't afford to live in the neighborhood," the letter-writer observed.

To rub the point in more deeply, the *Post*'s Sunday magazine ran a lengthy feature on "the luxurious organic grocer Fresh Fields" which has opened a 61,000 square-foot store in the same general area, selling overpriced foods to the new residents of the neighborhood, "increasingly white, gay and affluent."

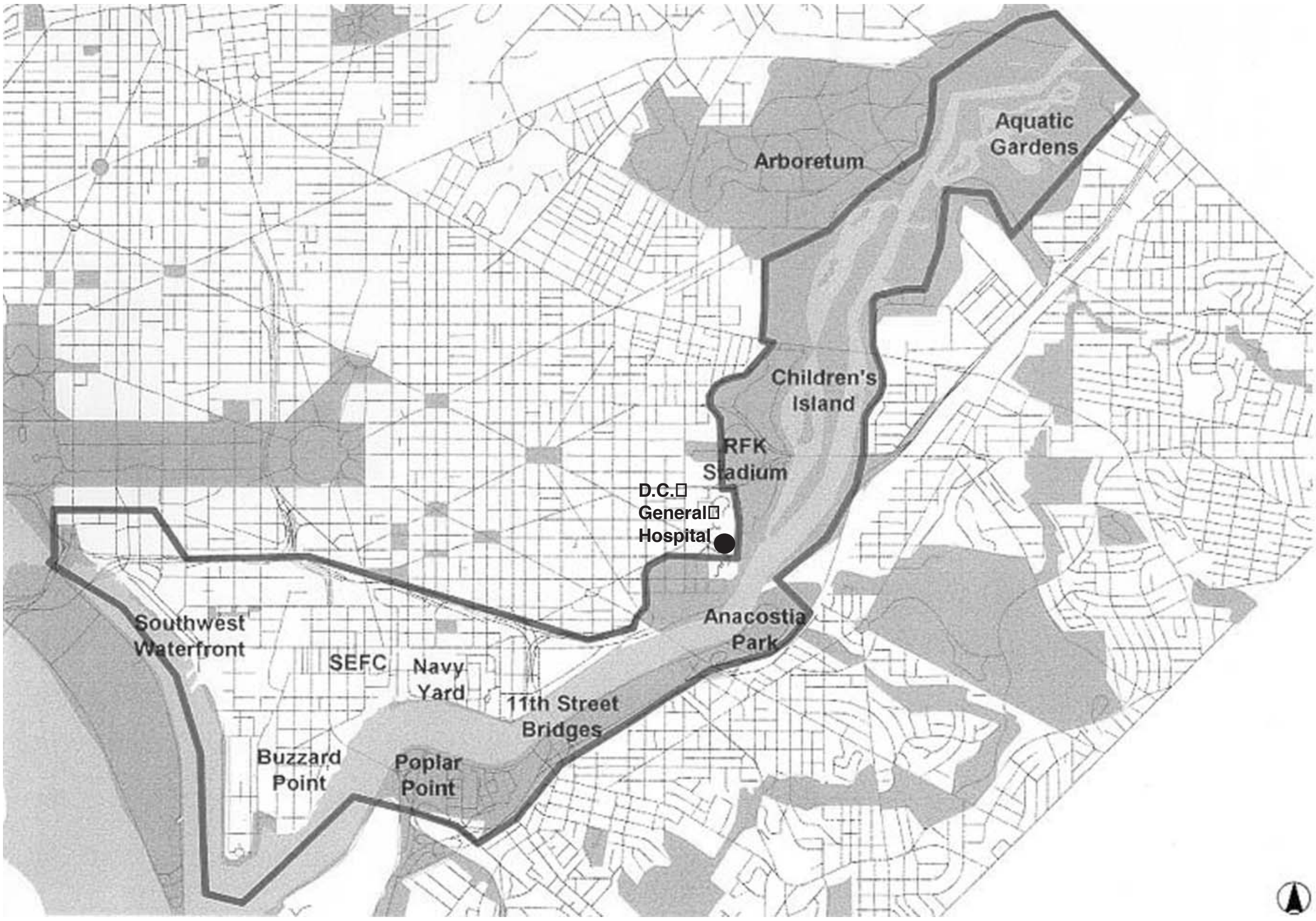
FIGURE 1
Priority Development Areas



Sources: National Capital Planning Commission; D.C. Government.

FIGURE 2

Anacostia Waterfront Initiative



Source: National Capital Planning Commission.

The Anacostia Waterfront Initiative is a joint Federal and D.C. plan to coordinate use of the waterfront along the Anacostia River in Southeast D.C. Its literature describes this area as "in the early stages of a potential development boom," with $100 million in new office buildings under way, a $200 million Navy project, etc. The most rapid development is under way in the area of the Navy Yard and the Southeast Federal Center (SEFC).

What is already happening in this area, is what now is projected to take place in Southeast Washington, in the area served by D.C. General Hospital. That is the secret behind the elimination of D.C. General as a public hospital, which traditionally takes all comers—insured or uninsured, white or black, rich or poor—and treats them with the highest-quality medical care. As a public hospital, D.C. General provides treatment first, and asks about insurance or payment later—unlike the private, for-profit hospitals of the sort that are supposed to replace it. The elimination of services, as we have seen from the description of the New York City model, is the condition for the elimination of the poor population, and that—not budgetary or other motives—is what is behind the closing of D.C. General.

The map on page 24 shows the Priority Development Areas for the National Capital Revitalization Corporation. In Southeast, the priority areas are the Southeast Federal Center and the Navy Yard area, and the Buzzard Point/Anacostia and Congress Heights communities. In the far eastern part of the District is the Marshall Heights community. These will be the areas whose population will be most affected by the closure of D.C. General Hospital. (The line running toward the north, is the Georgia Avenue area.)

Office building construction in Southeast D.C., in the triangular area just east of the Navy Yard; according to the Washington Business Journal, *it is hoped that this project, along with others, "could help build the momentum for a major transformation of this historically underdeveloped area."*

Swarming Mortgage Brokers

The instrument for the "redevelopment" and gentrification of Southeast Washington is the National Capital Revitalization Corporation (NCRC), established in 1998 as the economic development agency for the District, which is just now getting off the ground. NCRC describes itself as a "public-private entity designed to serve as an important manager of real estate projects" in the District. It is also a real-estate company, which can put together what it calls "public-private partnerships" for large-scale real estate projects, and can assemble parcels of land which will then to used for big real-estate projects.

In other words, it intends to use the powers of the government, including tax incentives and the like, to assist private developers in carrying out billions of dollars of contruction in targetted areas of the city.

It is reported that national mortgage lenders are already swarming all over the city, looking for speculative investment opportunities. Mortgage brokers are targetting properties in or adjacent to the areas slated for "redevelopment," especially Southeast and Anacostia (see **Figure 1**).

As in other cities, mortgages and/or properties are bought up cheaply. They are then purchased by the Redevelopment Land Agency, a Federal-city agency which is authorized to purchase and assemble property, and then to offer such properties, at discounted prices and with tax breaks, to developers. In July, the RLA's functions will be taken over by the NCRC.

One long-time participant in the battles around redevelopment in D.C. described the powers of the NCRC as "dangerous," and said that it is equivalent to "giving the Board of Trade the power of eminent domain."

Helpful Holmes Norton

To put a pretty face in the whole redevelopment effort in Southeast—which will mean driving out thousands of residents now living in low-income housing in the areas on both sides of the Anacostia River—the city has launched the Anacostia Waterfront Initiative, a joint Federal-city planning project which encompasses the seven-mile strip along the Anacostia River in Southeast Washington, up to the area surrounding RFK Stadium and D.C. General Hospital (see **Figure 2**).

The Initiative's immediate concentration is the southern part, the area around the Navy Yard and the Southeast Federal Center. The Navy is transferring 5,000 jobs from Crystal City in Arlington County, to the Navy Yard, accompanied by defense contractors, who are building and renting new commercial office space along the newly widened and spruced-up M Street S.E. At least four new commercial buildings are under construction adjacent to the Navy Yard and the Southeast Federal Center, a 55-acre Federal site which itself will be built up with both Federal office buildings and private commercial development.

That private developers will be able to build on Federal land, is thanks to a special bill sponsored by D.C. Congressional Delegate Eleanor Holmes Norton, and passed by Congress last year, which allows the federal General Services Administration to enter into joint ventures with private developers.

Behind the public face represented by the Waterfront Initiative, are whispered grandiose plans for a potential trillion-dollar speculative real-estate scam for this entire southern part of D.C.—on both sides of the Anacostia River. Especially desirable, are the campus of St. Elizabeth's Hospital (a psychiatric hospital scheduled for closure) and adjacent areas.

Consider the fact, that the real estate in this area has an estimated current value of several billions of dollars, now limited by the fact that much of it is now inhabited by many of the city's poorest residents, mostly black. If those residents can be removed, then the potential value of this land skyrockets, opening up a massive speculative potential which knowledgeable sources have estimated at up to $1 trillion. Look, for example, at what has already happened in the Shaw/U Street area described above, and you can see the dollar-signs in the eyes of the developers and bankers gathered around the Federal City Council.

KKK-Katie Graham's Own Secret Society Rules in Nation's Capital

by Arthur Tiknor

The Federal City Council (FCC) was founded in 1954 by Philip Graham and is now headed by *Washington Post* owner and billionaire Katharine Graham. It is now the "war room" for the Wall Street and European financial oligarchy's plans to transform Washington, D.C. into an imperial capital, built on a trillion-dollar real estate bubble. That scheme, which requires the forced removal of the vast majority of poor African-Americans from the District, is known as "The Plan." The misnamed FCC is a private club, comprised of representatives of 150 of the leading banking, real estate, media, and academic institutions in the D.C. area, and has been described as the "secret government" that pulls all the strings in the nation's capital. The members of the FCC criss-cross the leading cultural institutions of the capital, including the National Cathedral, the National Gallery of Art, the Smithsonian Institution, and the Kennedy Center for the Arts. They also form the core of such private clubs as the Metropolitan Club.

Below is a representative profile of the FCC's current membership.

Joe L. Allbritton

Allbritton is senior chairman of Riggs National Corp., a D.C.-based holding company, and CEO of Riggs Bank, its primary subsidiary, of which he won control in a hotly contested takeover battle in 1981, after making a huge fortune in real estate. Riggs Bank is a member of the Kennedy Center's Corporate 100 Club (donors of $100,000 or more).

Allbritton Communications Co. owns and operates nine television stations, all ABC affiliates, in the Southeast U.S., including WJLA (Ch. 7) in Washington, whose employees staged a protest in 1993, claiming that Allbritton cut costs (not giving raises for 30 months) to support his 24-hour cable news station, Channel 8.

His Allbritton Foundation, established in 1958 in Houston, gave $25,000 to the George Bush Presidential Library Foundation in 1994.

Thomas Hale Boggs, Jr.

Chairman of the Executive Committee of the law firm Patton Boggs, he is credited with helping design, and securing Congressional approval of, the $1.5 billion Federal bailout of the Chrysler Corp., the largest government bailout of a single corporation in U.S. history.

Patton Boggs, Qorvis Communications and National Media celebrated Bush's inauguraton, although Boggs served as a member of the Charter Commission of the Democratic National Committee in 1973.

Timothy A. Boggs

Boggs is senior vice president for global public policy at AOL-Time Warner, Inc., a newly created position. He has been a backer of the New Democrats, giving $10,000 to House Democrats last year, $85,000 in 1998, and $10,000 to the Democratic National Committee in 1994.

AOL-Time Warner is a member of the Kennedy Center's Corporate 100 Club.

Calvin Cafritz

A son of Morris Cafritz, an original member of the FCC in 1954, Calvin is president of Cafritz Enterprises, a real estate firm, and founder of DigitalSelect, an Internet connections company. From 1993-96 he was on the Board of Directors of Riggs National Corp. He is chairman, CEO, and president of the Morris & Gwendolyn Cafritz Foundation, which is a member of the Laureates' Circle of the Kennedy Center (donors of $250,000 or more).

Cafritz is a member of the Trustees' Council of the National Gallery of Art.

Timothy C. Coughlin

Coughlin has been president of Riggs National Corp. since 1992. Before joining Riggs in 1983, he was at Banque de Paris et des Pays Bas (Paribas) from 1978-83, and previously at Chase Manhattan from 1964-78.

He is chairman of the British-American Business Association (BABA), founded in 1987 by a group of British and American companies (including Riggs), with the support of the British Embassy. BABA's International Advisory Board includes Lady Margaret Thatcher and Enron Corp. Chairman Kenneth Lay.

Coughlin is a member of the Washington National Cathedral and Trustee of the Corcoran Gallery.

Frank J. Fahrenkopf, Jr.

As president and CEO of the American Gaming Associa-