

Bloomberg's Brit Tax Dead on Arrival

by Anita Gallagher

The myth of the unstoppable fascist juggernaut of New York Mayor Michael Bloomberg, died with a whimper on April 7, when the New York State Assembly refused even to vote on Bloomberg's "made in Britain" scheme for a hefty "congestion tax" on cars and trucks entering the public space of Manhattan on weekdays.

The defeat of Bloomberg's signature initiative is a serious setback to the British interests trying to launch Bloomberg on a U.S. Presidential ticket, as well as boost the fascist private infrastructure policies he peddles to elected officials across the United States. The Bloomberg Presidential campaign, begun in February with speculation that Bloomberg would run as a self-financed Independent, is now stalling out, despite Bloomberg's boast that he is worth \$40 billion, not \$13 billion!

American statesman Lyndon LaRouche has led the efforts to stop Bloomberg, Britain's candidate for U.S. President. First LaRouche issued a short piece, "Mitt Romney Walks Out," which stated that Bloomberg is the financiers' dictator waiting in the wings as other candidates play their brief parts. This was mass-leafleted, and followed by another LaRouche mass leaflet, "Bloomberg Isn't Running ... Only Dripping Copiously," which exposed Bloomberg's Richard III-like claim that he isn't seeking the Presidency.

Then, the LaRouche Youth Movement, and a certain "Mouse-olini," a street-theater Mussolini look-alike with rodent ears and tail, visited Wall Street several times in the last month, to warn New Yorkers that "Il Duce" is back.

It worked.

N.Y. Legislature to Bloomberg: Drop Dead!

Bloomberg attempted to carefully orchestrate the steps to passage of his tax, together with privateer-U.S. Transportation Secretary Mary Peters, who promised New York State a \$354 million Federal grant if the state would impose the first-ever tax on American citizens to enter public space! Peters had originally set a March 31 "drop-dead" date to pass the tax, or forfeit the money. That deadline was then extended to April 7, to give Bloomberg time to round up the votes in the New York Legislature.

Meanwhile, the LaRouche Youth Movement was in discussion with members of the New York Legislature to support LaRouche's Homeowners and Bank Protection Act. This Franklin Roosevelt-style measure, which has 45 sponsors in the N.Y. Assembly, calls for a freeze on foreclosures, keeping state and Federally chartered banks open, and no "Bear Stearns" bailouts for speculators, to create a "firewall" be-



EIRNS/Bob Wesser

Benito Mussolini pays a visit to the "Bare Stearns" New York headquarters with lots of Federal Reserve hyperinflationary toilet paper, and paeans for Mayor Bloomberg.

tween the worthless bubble assets and the real economy.

Earlier, Bloomberg had rammed the \$8 trip per car, \$21 trip per truck tax through the 51-member New York City Council, which voted up the "congestion tax" 30-20, after a combination of threats and bribes. These included projects, future campaign contributions, or campaign contributions to opponents, according to the media.

City Council Speaker Christine Quinn, an ally of Bloomberg, had told Council members that she would not call for a vote unless she had indications that it would pass the State Legislature. The City Council then capitulated, moving the tax proposal forward to the New York Legislature.

But statewide, opposition to the Bloomberg tax plan was stronger. Some reports had opposition in the Assembly, the lower chamber, running 4-1 against the tax. There was "broad opposition in the Democratic Caucus" based on a wide variety of concerns, Dan Weiller, Assembly Speaker Sheldon Silver's press secretary told *EIR* on April 10.

First, Weiller said, the congestion tax revenues "would only cover a very small portion of the Metropolitan Transit Authority's \$9 billion hole in its capital plan." Furthermore, the City of New York had just imposed an MTA fare increase, supposedly to pay for capital expansion. But, the promised capital expansion was abruptly cancelled immediately after the fare increase, because of Wall Street's losses, and its diminished taxes to the City. "There was no way to know what projects would be done," and the Assembly had no confidence that the tax would deliver the revenue promised, Weiller said.

Billionaire Bloomberg Nixes 'Millionaire Tax'

Speaker Silver in the meantime had originated an opposing plan to generate transit revenue: a tax increase of 0.85

percent on everyone who earns more than \$1 million a year in New York. This percentage increase in the state tax, for a period of five years, would apply to only 26,000 people who live in New York, and another 40,000 who work in the state. But it would generate \$7.5 billion in revenue over its duration, with \$5 billion earmarked for transportation improvements.

The \$40-billion Mayor Bloomberg "strongly rejected" that tax, said Weiller. And, according to other sources, Bloomberg used his political muscle to stop the "millionaire tax" from being introduced into the New York budget debate.

A final irony: The "congestion tax," which Bloomberg, and U.S. Transportation Secretary Peters insisted was a pollution-reduction measure, would have gone into effect with no environmental review at all, according to Weiller.

New Jersey's Democratic Gov. Jon Corzine had also threatened to sue New York City for imposing the congestion tax, on top of the \$8 tolls New Jersey drivers currently pay to enter New York City, calling it "an outrageous action." Corzine, who encounters demonstrations wherever he goes, against his own plan to turn the state's highways over to private companies, would do well to learn the lessons of Bloomberg's defeat—and Franklin Roosevelt's success.

U.S. Transportation Secretary Peters issued a bitter statement over Bloomberg's tax defeat on April 7, declaring that the congestion tax is an "inevitable solution" for New York, even if not in the next few months, or with the assistance of Federal Urban Partnership dollars."

What does Secretary Peters mean, that a congestion tax is "inevitable" for New York City? *EIR* asked Peters' press spokeswoman. She answered: Just that "there is no other viable option to improve New York's traffic and environmental" problems—a strong endorsement of something that has never been tried, and, in Peters' view, must be tried. "Starting tomorrow," the press spokeswoman said, "we will engage with many of the largest cities in the United States that have put forward ambitious traffic fighting plans, to discuss how they could use this money to cut traffic, improve transit, and reduce pollution." The U.S. Department of Transportation's next targets for London's plan are San Francisco, Minneapolis, Miami, and Seattle.

Apparently, the Department of Transportation has never heard of Franklin Roosevelt's capital budget based on government credit to build wealth-producing infrastructure.

Only three cities in the world have been stupid enough to adopt congestion taxes: London, Singapore, and Stockholm. In London, the tax has produced so little revenue that it has been increased. And on April 2, the Porsche company announced that it had filed a lawsuit against London Mayor Ken Livingston for imposing a \$49 per trip fee.