

Schwarzenegger and Bloomberg: ‘Soul-Mates’ for Mussolini Fascism

by Nancy Spannaus

“How do you answer those who, given both of your records in killer austerity policies, would just say that this infrastructure initiative is another form of Mussolini corporatism?” Faced with this question by a member of the LaRouche Youth Movement attending their widely touted press conference announcing a “Building America’s Future” coalition, California Gov. Arnold Schwarzenegger and New York City Mayor Michael Bloomberg made no effort to deny the charge.

“Well, first of all, let me just say that, whatever you call it, the bottom line is that we need to build the infrastructure,” Schwarzenegger replied. Bloomberg ducked the issue altogether.

In response to a follow-up question on why they were promoting rip-off “public-private partnerships,” instead of FDR-style public infrastructure projects, they were equally unabashed. “Well, first of all, times change, and we see now that there’s more money in the private sector than in the public sector,” Schwarzenegger answered. Bloomberg followed with: “I think another thing. With private capital, you can do

things that you can’t do with the public’s money.”

Schwarzenegger and “Benito” Bloomberg are lying, of course. Their promotion of infrastructure projects follows the model of the Felix Rohatyn Big MAC plan in New York City during the 1970s, as well as that of Mussolini himself: Schachtian austerity against the poor, while providing a publicly guaranteed revenue stream for their favorite private financiers, who will take over existing infrastructure, or build some limited new facilities. They are not motivated by the need to fill the dramatic infrastructure deficit in the United States, but rather the coffers of fascist financiers like Felix, and his close Republican ally and collaborator in supporting the murderous Pinochet regime in Chile, George Pratt Shultz. Just like Mussolini (see following article).

Draconian Austerity

Both Bloomberg and Schwarzenegger, who have described themselves as political “soul-mates,” have taken the lead nationally in imposing “non-partisan” budgetary policies—i.e., draconian cuts. The Governor has declared a “fiscal emergency” and imposed a 10% budget cut across the board, in full knowledge that this slash will condemn millions of poor to misery, if not death. His budget, presented Jan. 10, contains \$4 billion in cuts to already inadequate education funding; reduction of Medi-Cal health services to the poor; harsh cuts in aid to the low-income elderly, blind, and other disabled.

On top of the murderous cuts, Schwarzenegger asked the state legislature to change the state’s constitution so as to force automatic cuts, whenever a shortfall looms. This would require a referendum, which he has asked the legislature to place on the November ballot.

Bloomberg, who is seeking to pad his “credentials” to become a “non-partisan” President (read: dictator) of the United States, has a much smaller budget to work with, in New York City, but has taken a similar approach. He brags of having



Office of the Governor

“Soul-mates” Schwarzenegger and Bloomberg, pictured here at a California press conference Jan. 19, announced their Mussolini-style infrastructure program. Both believe FDR’s anti-depression policies to be “outdated.”

“tightened our belts” by cutting his budgets and workforce as of November, by a 2.5% margin, while other government entities, such as the Federal government, were spending “with reckless abandon.” Not surprisingly, given the billionaire’s drive to “rebuild” New York City as the world’s glitziest financial haven, the brunt of those cuts have hit the poor. On Jan. 24, when he announced his budget, he increased the across-the-board cuts to 5%.

Explicitly Against FDR

The Bloomberg-Schwarzenegger infrastructure initiative, which is being funded by the Rockefeller Foundation, has been widely touted in the press as “taking a page from FDR.” Nothing could be further from the truth.

Schwarzenegger, who was personally selected for his position by George Shultz, has been on record for more than three years, as a prime pusher of public-private partnerships, which are explicitly aimed at providing funds for the private sector. Like Rohatyn, who controls much of the Democratic Party apparatus in California top-down, Schwarzenegger considers FDR’s Constitutional, general welfare approach to building infrastructure “outdated.”

Bloomberg, who personally contributed over \$44,000 to Schwarzenegger’s 2006 re-election bid, has fully endorsed Schwarzenegger’s approach. The question is whether the Democrats can finally buck the Rohatyn control, and expose these fascists for what they are.

Mussolini Program Was Model for Today’s PPPs

by Claudio Celani

In 1922, as soon as he was installed as Italy’s Fascist Prime Minister, Benito Mussolini adopted a scheme drafted by a group of Milanese industrialists for a concession to build the first Italian (and, it seems, European) highway, the Milano-Laghi, to connect the industrial cities of Milan, Varese, and Como. The concession was to last 50 years, after which the highway would be given to the state. The concession included the status of public interest for the work, so that land expropriations could be quickly (and, presumably, cheaply) made; it included a fund guaranteed by the state of up to one-third of the total cost, which the private investors were to be able to use in case they ran out of money; and, of course, a toll system to repay investment costs.

That scheme was to be applied to the construction of all highways under Mussolini, for a total of 479 km, which would be operative between 1924 and 1935, with some variations; for instance, for the 23 km-long Naples-Pompeii highway (1925-29), private investors spent double per kilometer as on the other highways, and received a fixed rate of interest from the state. The Venetians, for the Padova-Mestre highway, got one-third financing from local governments, and two-thirds from an agency formed by the same local governments and the state. For the Milano-Bergamo highway, the state put in two-thirds of the money.

The Fascist PPP (public-private partnership) model under Mussolini was based on the same hoax promoted today by Schwarzenegger-Bloomberg: The economy needs public infrastructure, but the state has no money. The private sector has the money, and investors are willing to take the risks to build such public infrastructure. Contrary to what Presi-



Mussolini’s corporatist road-building program was a farce, just like today’s PPPs, promoted by modern-day fascists Michael Bloomberg and Arnie Schwarzenegger. Il Duce, shown here, in an Alfa Romeo race car.