

“...The Fascist State lays claim to rule in the economic field no less than in others; it makes its action felt throughout the length and breadth of the country by means of its corporative, social, and educational institutions, and all the political, economic, and spiritual forces of the nation, organized in their respective associations, circulate within the State. A State based on millions of individuals who recognize its authority, feel its action, and are ready to serve its ends is not the tyrannical state of a medieval lordling....”

### **Schwarzenegger, 2008: ‘Permanent Victory’**

In his speech Jan. 10, Schwarzenegger, issuing a declaration of fiscal emergency in California, decreed that the state faces a “very tough solution.” He said he will eliminate more than 7,000 jobs from the state payroll and make other cuts. His formulation is, “With tough times come historic opportunities, and I’m convinced that the Legislature will help in order to take this temporary problem that we have and turn it into a permanent solution, a permanent victory for the people of California, by joining me to enact true budget reform.

“We simply cannot have a budget system where revenues and spending are not tied together. We must rise to the challenge and fix California’s budget system once and for all.”

### **Bloomberg, 2008: ‘National Unity’ Corporatism**

At the Jan. 6-7, 2008, “national unity” confab, in Norman, Oklahoma (see separate article), a mission statement was released, using soft-sell rhetoric to cover the corporatist policies behind the initiative. Excerpts (from coverage in the *Norman Transcript*, Jan. 7):

“Our budget and trade deficits are out of control. We are squandering our children’s future. The ominous transfer of our national wealth has made our economy vulnerable, and our economic strength and competitiveness are both declining. Middle-income Americans are struggling to keep their homes and jobs and educate their children....”

“We are failing to address [the nation’s problems] because rampant partisanship has paralyzed the ability of our government to act. If we allow polarizing politics to continue, we will remain a nation divided and no matter who is elected this fall, he or she will not have a mandate for governing.

“...In order to break this partisan impasse, we urge the presidential candidates to provide: clear descriptions of how they would establish a government of national unity; specific strategies for reducing polarization and reaching bipartisan consensus; plans to go beyond tokenism to appoint a truly bipartisan cabinet with critical posts held by the most qualified people available regardless of political affiliation; and proposals for bipartisan executive and legislative policy groups in critical areas such as national security. National elections present an opportunity for candidates and citizens to have a serious and civil discussion of the imperative issues facing our country at home and abroad....”

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## Chronology

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# The Campaign for Michael ‘Mussolini’ Bloomberg

**Aug. 2, 2006:** Public promotion of New York Mayor Michael Bloomberg as a Presidential candidate begins with a meeting in the home of hedge fund plutocrat Michael Steinhardt. At the dinner meeting, Steinhardt-Rohatyn pet, Democratic Leadership Council (DLC) chief executive Al From, explains to Bloomberg and his staff the logistical considerations for a Presidential race begun as a “dark horse,” after the main contenders have been deflated.

This establishes Bloomberg as a replacement for Steinhardt’s and banker Felix Rohatyn’s 2002-03 DLC project for wrecking the Democrats, a proposed “Bull Moose” third party Presidential ticket of Sen. John McCain (R-Ariz.) and Sen. Joe Lieberman (D-Conn.; he is now an independent). Following the meeting, Steinhardt pushes the Bloomberg ploy around Wall Street. The *New York Times* reports on Aug. 4 that “Mr. Bloomberg’s plans” are “making converts among monied New Yorkers.”

**Aug. 8, 2006:** Senator Lieberman loses the Connecticut Democratic primary to anti-war candidate Ned Lamont. Lieberman begins running as an independent against the Democrats, on a straight Dick Cheney permanent-war and dictatorship platform.

**Aug. 9, 2006:** Bloomberg announces his support for Lieberman. Between that time and the November election, Bloomberg runs fundraising efforts for Lieberman, and dispatches top staff members and political aides from New York City, who direct Lieberman’s get-out-the-vote, polling, and media-consulting operations. Lieberman says, “No one in public life has done more for me in this campaign than Mike.”

(Note: Michael Steinhardt in 2004 had “come out of retirement” as a hedge fund operator to become partner of “greenmailer” Saul Steinberg’s son Jonathan, and chief owner of the younger Steinberg’s “index fund,” WisdomTree. Investing about \$7 million, Steinhardt made about \$130 million off the enterprise by mid-2006.)

**May 11, 2007:** Bloomberg is the commencement speaker for the University of Oklahoma, whose president is former Senator David Boren. Columnist Robert Novak writes, “When New York City Mayor Michael Bloomberg delivered the ... commencement address, ... he engaged in a long, private discussion about 2008 politics with university president and maverick Democrat David Boren. According to New York political sources, they discussed a role Boren might play in an independent Bloomberg campaign for president, generating

speculation about a Bloomberg-Boren ticket.”

(David Boren’s resumé includes: 1963 Yale Skull and Bones, Yale Conservative Party, Rhodes Scholar, master’s degree in Philosophy, Politics, and Economics from Oxford University, 1965, later served on the Rhodes Scholarship selection committee.)

**May 13, 2007:** CBS News reports, “After dining with New York’s mayor, who is also said to be considering a run for president as an independent, [Sen. Chuck] Hagel said people might want to consider the two on a ticket.

“‘We didn’t make any deals, but I think Mayor Bloomberg is the kind of individual who should seriously think about this,’ Hagel said. ‘He is the mayor of one of the greatest cities on Earth. He makes that city work. That’s what America wants. It’s a great country to think about—a New York boy and a Nebraska boy to be teamed up leading this nation.’”

**June 5, 2007:** Rupert Murdoch hosts the ninth annual Eric Breindel awards, with Bloomberg as the guest of honor. *Newsweek* senior editor Lally Weymouth introduces Bloomberg, saying, “Everybody in New York that I know thinks he’s a brilliant mayor. . . . And everyone thinks he would be a brilliant president.”

Bloomberg reports, “Nine years ago, who would have thought this would be one of the most prestigious awards in journalism? . . . Or the most popular site on the Internet would be an interactive photo album called MySpace? What will Mr. Murdoch think of next? I guess you’ll just have to ask the Bancroft family.”

Murdoch has been promoting Bloomberg’s Presidential candidacy in the *New York Post* and the *London Times*.

**June 18, 2007:** Bloomberg speaks at a conference in California called “Cease Fire! Bridging the Partisan Divide,” alongside Gov. Arnold Schwarzenegger, who says, “I myself think he would make an excellent [Presidential] candidate. It’s all about fixing problems, and creating a great vision for the future.”

**June 19, 2007:** Bloomberg changes party registration from Republican to “unaffiliated.”

**Summer 2007:** Ed Rollins, former campaign director for Ronald Reagan, praises Bloomberg’s brilliance in an article



U.S. Army

*Mayor Bloomberg. On Nov. 10, 2007, Lyndon LaRouche forecast that the build-up of Rudy Giuliani as a “hot prospect” to beat Hillary Clinton, was a set-up, designed to bring Bloomberg in as a “man on a white horse,” after scandal discredited Giuliani.*

for the *Washington Post*, and urges him to enter the Presidential race. Rollins subsequently becomes campaign chairman for Republican contender Mike Huckabee.

**Nov. 1, 2007:** The Manhattan Institute hosts Bloomberg and Rohatyn at a conference entitled “Thinking Big for New York City.” In Bloomberg’s keynote address, he thanks “the Manhattan Institute . . . for more than 25 years of scholarship, and leadership, in reshaping public policy in our city. On subjects ranging from welfare reform to tax policy, the Manhattan Institute’s hard-nosed, well-researched ideas have had a tremendous impact. . . . [Today] the welfare rolls are at a more-than 40-year low.”

Rohatyn speaks on the experience of running New York City’s 1973 Municipal Assistance Corporation (Big MAC). He explains how Democratic boss Robert Strauss recruited him to the job. (As *EIR* has documented, Big MAC’s purpose was to drive down living standards to bail out the banking sector, while smashing the labor unions. See *EIR*, Aug. 25, 2006.) Rohatyn says: “Mike Bloomberg is another great political leader, partly because he’s

hugely smart and courageous, but also because he has brought into his administration talented people, such as Amanda Burden and Dan Doctoroff. One of the real hallmarks of his administration has been the quality of the people in his government. . . . Mike Bloomberg came along [after 9/11] and brought the city back with his spirit, his brains, and his vision. Today, the city is clearly number one in terms of the financial capital that’s being created here, even though we have competition from places such as London, Shanghai, and, soon, Beijing.

“We are the luxury capital of the world. There isn’t a single luxury store or brand or anything that is not on Fifth Avenue. Not that it’s very economical, but it is a big business and it identifies the city.”

**Nov. 5, 2007:** In its Nov. 12 edition, *Newsweek*, owned by the *Washington Post*, features a 7,000-word puff piece extolling Bloomberg as the “man on horseback” (Bloomberg has a lifelong fascination with Paul Revere). “Bloomberg is a billionaire wildcard,” says *Newsweek*, “a centrist who has the means to make one of the most significant third-party bids for the White House in American history.”

This coverage is the first of a wave of media coverage of a

potential Bloomberg candidacy, including by columnist Richard Cohen, the online Huffington Post, and *Roll Call*.

**Nov. 10, 2007:** Lyndon LaRouche releases a statement, forecasting that Bloomberg will be run as a “surprise” Presidential candidate, saying: “The build-up of former New York Mayor Giuliani as a ‘hot prospect’ for the man to beat Hillary Clinton in the coming U.S. Presidential election, was a crafted set-up, designed ... for the present New York Mayor to emerge, as if ‘miraculously,’ as Senator Hillary Clinton’s really intended Republican challenger.

“All of the relevant Republican king-makers had known fully in advance of the scandal which would bring Mafia creation Giuliani down, using the case-in-preparation against Bernard Kerik to spring the trap being set against Giuliani. To make Mayor Michael Bloomberg a serious contender, Giuliani had to be brought down, but only after ... Giuliani’s brief trip to euphoria had cleared the deck... [Bloomberg would be] a ‘man on a white horse’ ... ‘People’s Choice’ ... a politically saleable product under the presently shattered reputations of both the Republican Party, and a Pelosi-discredited Democratic pack.

“Giuliani must be built up to the degree that his sudden, disastrous fall into a political ‘Black Sox’ scandal, would wreck [and] ... discredit both Giuliani and all his leading current rivals for the Republican nomination. That is exactly what has been done, as (obviously) pre-scripted.

“The standard, expert method for bringing a dictator, such as Mussolini or Hitler, to power by popular acceptance of a duped electorate, is to stun that electorate with a shocking scandal against the leading, existing party systems.”

**Nov. 13-17, 2007:** Bloomberg addresses the National League of Cities conference in Houston, with a blast against the official Presidential pre-candidates for “pandering” and passing the Farm Bill.

**Nov. 23, 2007:** *EIR* publishes “The Rudy Bomb, Defused,” exposing the financiers’ intention to dump Giluiani’s candidacy in favor of Bloomberg’s, and noting, “We intend to help make such an outcome impossible, by reporting, ‘prematurely,’ what would have inevitably come before the general public.”

**Nov. 30, 2007:** Democratic Presidential contender Barak Obama and Bloomberg have breakfast together, and talk strategy.

**Dec. 11, 2007:** An article by Bloomberg, “America Must Resist Protectionism,” appears in the *Financial Times* of London.

**Dec. 18, 2007:** Joe Lieberman endorses John McCain in the Republican Presidential primaries, particularly hoping to help McCain in nearby New Hampshire. However, when MSNBC asks Lieberman whether he might run for Vice President on a ticket with McCain, Lieberman says, “I don’t think so.”

Then Lieberman offers the following, unprompted: “I was thinking actually, out of speculation, about Michael Bloomberg.”

# How Bloomberg Got His Billions

by John Hoefle

Mike Bloomberg didn’t get to be a billionaire by being mayor of New York, although the \$150 million or more of his own money he spent on his two campaigns (2001 and 2005) certainly helped his political career. Money may not buy everything, but it clearly buys a lot.

Bloomberg became a millionaire while working for Salomon Brothers from 1966 to 1981. Salomon was one of the top Wall Street investment banks, and during his 15 years there, Bloomberg became a partner and rose to become head of equity trading and sales. Then Bloomberg, a bit of a hothead, known for his temper and smashing phones, managed to get himself banished to the relative Siberia of running the bank’s computer systems, where he drew upon his educational background in electrical engineering.

In 1981, Salomon Brothers was bought by Philipp Brothers, or Phibro, the world’s largest metals trading company, closely tied to Lazard Frères. Bloomberg opposed the takeover, and wound up being fired, although he did walk away with a \$10 million payout for his partnership.

Bloomberg took part of that money and his knowledge of financial computing systems, and, with three former Salomon colleagues, founded Innovative Market Systems, to sell financial data and analytical tools to Wall Street. Joining him were Tom Secunda, a mathematician, to handle the data, Duncan MacMillan to handle the customers, and Chuck Zegar to write the software to tie it all together. All owned a piece of the company, with Bloomberg owning the lion’s share.

The company landed its first customer in 1982, when Merrill Lynch ordered 20 data terminals and invested \$30 million for a 30% stake in the company. As part of the deal, Bloomberg agreed not to sell to any of Merrill’s 14 major competitors for five years. In the mid-1990s, Bloomberg bought back a third of Merrill’s stake for \$200 million, 20 times what Merrill had originally paid.

From that modest beginning, the company known as Bloomberg L.P. since 1986, has become a money machine. A profile by Carol Loomis, in the April 2007 issue of *Fortune*, estimated that the company, a private partnership, made some \$1.5 billion in profits before taxes on \$4.7 billion in revenues in 2006. While Bloomberg, the company, has expanded into radio, television, and web-based financial