

“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top-down, Schwarzenegger considers FDR’s Constitutional, general welfare approach to building infrastructure “outdated.”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.

dent Franklin Roosevelt did with his massive public works projects, like the Tennessee Valley Authority, during the last Great Depression, Mussolini's program was not part of a general infrastructure-building and economic recovery plan, and could not be so, because the only thing that private investors were looking for, was to make a profit. Eventually, projections of highway traffic were revealed to be over-optimistic, so that profits failed to hit the mark. At that point, the state came in and bought back the infrastructure.

'Going Ahead Without Money'

For example, the Milano-Laghi: The project was based on a projection of 1,000 automobiles travelling per day; as of Sept. 30, 1925, the number was 800 cars. In 1926, the annual traffic was 421,406 vehicles—still low. Consider that, in 1922, Italy had one car per 1,000 inhabitants, compared with the U.S.A., with 100 cars per 1,000 inhabitants. Under Mussolini, mass motorization never occurred. So, one by one, the PPP infrastructure projects were bought back by the state, as profits failed to meet demands of private owners. When, in 1933, the Milano-Laghi was taken over by the state, the condition of the highway was disastrous, due to the lack of investment in maintenance.

Starting in 1929, the investment policy was inverted: After the crash of the free-market economy, the private interests had no money, and the state had to bail them out. Mussolini then became a statist, in favor of "big government." As concerned roads, the government established a national corporation, the Azienda Autonoma Strade Statali, whose task was to maintain existing roads and build new ones. The AASS was a failure, because the Fascist government was unable to generate credit. In fact, from 1923 to 1938, with the exception of the new highways, the Italian national road network shrank, from from 20,622 to 20,324 km; provincial roads remained unchanged (42,578 km), and only communal roads rose from 106,800 to 110,280 km. Even the national roads, which were more modern, were not paved.

AASS was such a failure, that Italians called it *Andiamo Avanti Senza Soldi* (Going Ahead Without Money).

Ironically, from a technical standpoint, the first generation of Italian highways were well constructed, reflecting the high skill level of Italian engineering and of American machines! To pave with the Milano-Laghi with cement, engineer Piero Puricelli bought five large Koehring-Paving machines in the United States, able to produce 1,200 square meters of conglomerate per day. Also, due to the orography of the Italian territory, many bridges, viaducts, etc. had to be built. Had the highway program been part of an FDR-like general recovery plan, financed with public credit, it would have been successful. As a profit-maker, it was doomed to fail from the start.

Campaign 2008: It's The Economy, Stupid!

by Debra Hanania Freeman

As the decisive Feb. 5 primaries draw near, the fight for the Democratic nomination is clearly between Hillary Clinton and Barack Obama. Dennis Kucinich, who never seriously thought he could capture the nomination, has withdrawn to focus on what promises to be a tough bid to return to the House of Representatives; and John Edwards' \$400 haircut, multi-million-dollar mansion, and the fact that he has repudiated his own past positions more times than most people can keep track of, have made his raw populism less than credible.

The media have tried to define the race between Clinton and Obama as one of gender vs. race: Will the Democrats produce the first woman President or the first black President? Because, according to those same pundits, the policies of the two top Democrats are more or less the same. In reality, nothing could be further from the truth.

Following what was an anticipated (and hardly decisive) loss in Iowa, the Clinton camp was shaken by what was clearly a top-down operation to boost Obama's candidacy, that included a barrage of lies in the media that were heavy enough to threaten Clinton's anticipated win in the New Hampshire primary. As *EIR* has documented, the intent was to hand the Obama campaign the momentum needed to knock out Clinton, and then pave the way for a corporatist "national unity" ticket headed by New York City Mayor (and billionaire) Michael Bloomberg. Although it took some time for the Clinton campaign to figure out who was behind the operation against her, it didn't take long for them to see that there *was* a dirty operation underway.

A Critical Shift

It was the beginning of a critical shift in the Clinton campaign strategy and, more importantly, of a fundamental change in the candidate herself. As a result, despite the dirty operations, she won a clear victory. On the night of the election, she explained, "Over the last week, I listened to you and in the process, I found my own voice." It wasn't just campaign rhetoric.

Campaign strategists had advised Clinton to more or less bypass Nevada and to concentrate on the big Super Tuesday states. She ignored the advice and flew to Nevada the next morning. When she arrived there, she went directly to the base of the population, to the people who she said in New Hampshire "had been invisible for too long." She went door to door in working class neighborhoods in Las Vegas, met with laid-