

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 Giuliani’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 Barack 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.

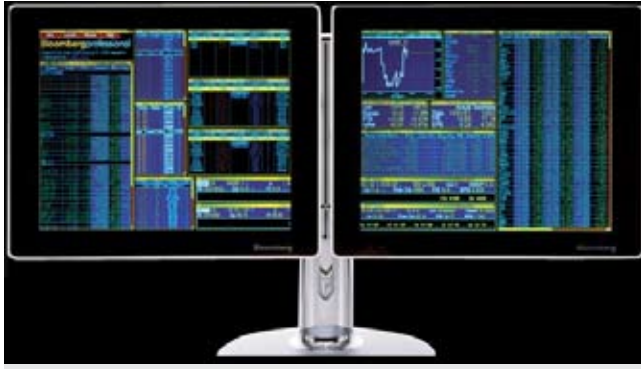
Bloomberg became a millionaire while working for Salomon Brothers from 1966 to 1981. Salomon was one of the top Wall Street investment banks, and during his 15 years there, Bloomberg became a partner and rose to become head of equity trading and sales. Then Bloomberg, a bit of a hothead, known for his 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



Bloomberg LP

After walking away from Salomon Brothers with a \$10 million payout, Bloomberg founded Bloomberg LP, which developed the “Bloomberg Terminal” (shown here), which has become the company’s cash cow. The proceeds have contributed to the mayor’s fortune, estimated at \$11 billion, which are expected to finance a potential run for the Presidency.

news, its profitability remains centered around its proprietary data terminals.

### The Bloomberg Terminal

The Bloomberg Terminal, as the device is called, provides access to both real-time and historical information on about 5 million bonds, equities, commodities, currencies, and funds, according to the firm. It also provides access to data on almost every publicly traded company, and biographies of more than 1 million people. The subscribers to the service, the company says, include central banks, investment institutions, commercial banks, government offices and agencies, law firms, corporations, and news organizations, in 125 countries. Virtually every leading bank, brokerage firm, insurance company, financial regulator, and corporation is a subscriber, according to the company’s website. With some 250,000 installations at \$1,500 a month each, the Bloomberg Terminal is a cash cow. (*EIR*, we should note, does not have a Bloomberg.)

The rise of Bloomberg’s financial-information business both benefitted greatly from, and was part of the infrastructure which permitted, the great shift on Wall Street, from old-style investment banking into trading. Prior to this shift, investment banking was a gentlemanly game where upper-class bankers dealt primarily with upper-class clients, with deals being cut in the clubs, salons, and boardrooms of the elite. One manipulated, cheated and stole, of course—how else could you make money?—but it was largely organized around relationships within the upper class. That began to change with the restructuring of Wall Street, started by Felix Rohatyn in the 1970s, and continuing with the junk bond operation of Drexel Burnham’s Michael Milken in the 1980s, in which the trading of securities began to supplant old-style banking as the primary money-maker on Wall Street. Trading required data, which Bloomberg and others provided in a symbiotic relationship,

the traders and the data providers feeding each others’ growth.

Riding this wave made Bloomberg L.P. a wealthy company, and Michael Bloomberg a rich man. Though he resigned as chairman of the firm in 2001 to run for mayor of New York City, Michael Bloomberg still owns 68%, with Merrill Lynch owning 20%, and the other founding partners the remaining 12%. He is a billionaire many times over, with *Forbes* estimating his net worth at \$11.5 billion, putting him 25th on its list of richest Americans in 2007.

Since this shift into securitization and trading provided the mechanism for the growth—and now death—of the largest speculative bubble in history, and Bloomberg played an important role in this shift, it is fair to characterize Michael Bloomberg as a creature of the bubble, a part of the parasitic apparatus which has destroyed the U.S. economy. He is part of the problem, not the solution, and should not be allowed anywhere near the Presidency. The only consensus Bloomberg represents, is the consensus of the money-lenders.

## Mayor Bloomberg Readies Budget Axe

by Mary Jane Freeman

In the footsteps of fascist Felix Rohatyn’s 1970s New York City budget gouging, would-be 2008 Presidential contender and New York City Mayor Michael Bloomberg is readying a deadly budget axe as the City’s 2009-11 fiscal budget deficits explode. Sounds of the sharpening of Bloomberg’s axe surfaced again on Jan. 7 when the City’s Independent Budget Office (IBO) estimated the fiscal year budget deficit at \$3.1 billion, “roughly \$360 million more than the Bloomberg Administration estimated in October,” the IBO report stated. Almost immediately, various media outlets began the drumbeat to rescind tax cuts and rein in labor costs and other expenses.

But the City’s poor are already suffering: The number of homeless families in New York City shelters is now at a record 9,500. Yet on Oct. 12, the Bloomberg Administration announced that those who are awaiting “certification” that they are officially homeless would no longer be admitted to stay in a shelter for one night on an emergency basis.

In November, a spokesman for Councilman William De Blasio told *EIR* that New York has lost 12 million pounds of food for the poor since 2004 as a result of reduced Federal aid. Yet, Bloomberg is adamant that he will continue to require fingerprinting for recipients of Federal food stamps. This Kafkaesque practice ends up blocking food aid to many needy people, but the Council was told that it is needed to combat “food fraud.”