

# Fascist in an Armani Suit: Bloomberg Channels Mussolini's Corporatism

by L. Wolfe

From Oct. 27 to Oct. 29, 1922, gangs of black-shirted thugs, members of Benito Mussolini's National Fascist Party, descended on Rome from all over Italy. They numbered less than 30,000, but what was to become known as Mussolini's "March on Rome," is given credit for peacefully toppling the Italian government and ushering in the era of Italian Fascism, when King Victor Emmanuel III asked the pint-sized *Duce* to form a cabinet.

So much for fairy tales. The reality is that the March on Rome was a cover for a pre-arranged coup—pre-arranged by the powerful Italian families and their financiers—who had chosen Mussolini and his Blackshirts as their instruments to crush all opposition to their economic agenda. The March itself was not organized by Mussolini, but by leading generals and members of the Italian oligarchy, such as Generals Gustavo Fara and Sante Ceccherini, and the Marquis Dino Perrone Compagni. *Il Duce* was instructed to stay behind, until the appropriate moment when he would be summoned by the King.

Such behind-the-scenes orchestration and manipulation were to be the hallmark of the 20-plus years of Mussolini's rule on behalf of these oligarchical interests. *Il Duce* was the frontman, the actor on the stage, making the pronouncements handed him, with great rhetorical flourish, but making little policy of consequence himself.

If New York Mayor Michael Bloomberg is to become America's version of *Il Duce*, it will be through a similar process of manipulation and orchestration. What recommends him to his potential backers is not his \$11 billion personal fortune; he didn't earn that fortune—he was given it, for services rendered and proposed by the same financial oligarchs in London and on Wall Street who now promote his Presidential aspirations. It is his chameleon-like propensity to be whatever people want him to be, and an ability to serve as a frontman and thug for a corporatist fascist agenda, as evidenced in his reign in New York City, that puts him forward as Wall Street's and London's preferred new Mussolini in an Armani suit.

## Beast-Man Ideology

What was to become the cornerstone of fascist ideology came from the work of one of the oligarchy's stable of ideo-

logues, Gabrielle d'Annunzio, a Nietzschean "futurist poet" and protégé of Count Piero Foscari of Venice. D'Annunzio was to become the first *Duce* in the first major fascist experiment of the 20th Century, upon which Mussolini's regime would be based: the 1919-20 occupation of the disputed city of Fiume by d'Annunzio, who also held the rank of Superiore Incognito in a Martinist masonic lodge. Aside from seizing the disputed territory, the purpose of the Fiume project was the creation of a Beast-man political experiment, led by d'Annunzio.

In a work entitled "*Le Faville del Maglio*" ("The Sparks from the Hammer") d'Annunzio wrote: "Some days I have known how man lived, before Prometheus weakened their hearts with hope." Man, he says, lives "as a beast" whom an unloving god created "to suffer." In another work, titled "Maia," he declares that "technology and progress" have harmed man and the natural order of things; they are "false myths" proffered by "false gods"; only a return to the true myths of "blood and soil" can save man from extinction.

Initially, the oligarchy toyed with making d'Annunzio the leader of a wider "Beast-man" movement. But he lacked the necessary charisma—something Mussolini had in abundance. So d'Annunzio's "new Beast-man" ideology was melded with Mussolini's stylized Romanticism and flair for spectacle, and given a healthy heaping of Venetian cash to whip up a fascist brew that could be sold to a desperate citizenry longing for relief from depressed economic conditions and the paralysis of the Roman government. *Il Duce*, with the help of the Venetian-controlled media, portrayed himself as the "outsider" fighting for the little people against the power of a corrupt and ineffective government—much as Bloomberg campaigns and positions himself now.

## The Corporatist State: A British-Venetian Creation

Scholars have produced tomes trying to define Mussolini's Fascist state, or what he referred to as corporativism. Most look at the superficial structures, and try to draw conclusions which wrongly place power in the hands of Mussolini, rather than in powers behind him, and in the "experts" who ran his economic policy.



Spencer T. Tucker

*In 1922, the thug Benito Mussolini was installed by the Venetian oligarchy as Il Duce, the Fascist dictator of Italy; today, the financiers' tool is Michael Bloomberg, the Presidential candidate "above the parties," who will step in to impose Mussolini-style fascism in America. Shown: (left) Il Duce waves to the crowd in Genoa, 1938; (right) Bloomberg waves to crowds in New York City, 2008.*

They overlook that Mussolini's Fascist movement was a syncretic creation of the powerful Venetian financial oligarchy, who funded his Fascist *squadristi* and handed him his Fascist ideology, a combination of nationalism fused with an anti-Promethean, Dionysian outlook that closely resembled the ideology of the British-manipulated mobs of the French Revolution and Terror, that ultimately brought Europe's first true fascist, Napoleon, to power.

Specifically, a Venetian oligarchical group led by Count Piero Foscari, of an ancient family of the Venetian doges, and including Count Giuseppe Volpi di Misurata and Count Vittorio Cini, and including many of the families that composed the former Venetian council, sponsored and ran the Mussolini project. The financial muscle behind this group included the Banca Commerciale Italiana and Assicurazioni Generali di Venezia e Trieste (whose President from 1938-43 was Count Volpi).

The most important of Mussolini's controllers was Volpi, whose prominence had come through British sponsorship as one of their Venetians agents. This was prominently evident in his critical role in the so-called Young Turk pan-Turkish movement, which the British planted in the Salonika region as part of their plans to break up the Ottoman Empire in the run-up to World War I; the top British agent in Europe, Alexander Helphand "Parvus" was also deployed to this project, collaborating with Volpi, as he was later to do in sponsoring the Bolsheviks in Russia. Not surprisingly,

when the Young Turks seized power in a coup in 1913, Volpi was on hand in Istanbul, meeting with a director of the Ottoman Turkish Bank, and later helping to arrange acceptance of the new regime.

In the British-Venetian Mussolini project, Volpi was a more visible personality, while also working behind the scenes as the control point on economic and financial policy and as the go-between for the regime with the City of London and British oligarchical circles generally, including in the early stages with Bank of England head Montagu Norman, an early strong supporter of Mussolini's corporatism.

Once in power, Mussolini proclaimed that to "fix" what was wrong with Italy, to make it once again a powerful nation, the State would have to be transformed. Italy was weak because its people were weak; they required regimentation and total direction, and the State must provide that, without objection from corrupting influences, including those that misled the "little people." The true personality of Italy, he argued, was to be found in great "tradition" of its former empire. The repository of this tradition lay in the great families, families who have stood for centuries for the values of the nobility, even as governments came and went, families who, despite corruption of daily life, remained above "politics." These pure influences will now show the way to Italy's new future and greatness.

Just as the Romans followed Caesar to glory, the Italian

state must mobilize its people to follow the Fascist route to a new glorious future; *Il Duce*, he told cheering Italians, serves them because he serves not his own interest but that of the State.

This ideology of a new mass slavery explicitly rejected the idea of the General Welfare and would be used to justify wiping out any and all institutions that either stood or might stand for that principle. “The maxim that society exists only for the well-being and freedom of all the individuals composing it does not seem to be in conformity with nature’s plans,” Mussolini once wrote, echoing d’Annunzio; the State does not derive its power from the consent of the governed, or from its ability to serve those whom it governs; the State rules with power that comes from itself, and it acts in its own interest—which happened to coincide in every case with the interest of the financial oligarchy.

The standard economic and political science texts ignore the essentials of the Mussolini state and ideology, including its real sponsors, and try to come up with a definition of corporatism based on “structures.” Thus, it is said that corporatism “is a political or economic system in which power is given to civic assemblies that represent economic, industrial, agrarian, social, cultural and professional groups” which “exert control over the social and economic life of their respective areas.” More commonly, corporatism is used to denote the granting of great power to private corporate interests or the domination of government by those interests (e.g., Wikipedia).

But as we have shown with the Mussolini example, as it is copied today in the case of Bloomberg, corporatism has no meaning separate from the financial oligarchical interests that give it life. Stated truthfully and simply: *Corporatism is the regimentation and mobilization of the state, including its credit and financial resources, to carry out policies that are dictated by and implemented for the benefit of a financial oligarchy.* To the extent that social and political “harmony” is achieved, it is because no opposition to this stated aim is to be tolerated; forget about the comparisons between Mussolini and Hitler’s methods, how Mussolini was more genteel, more civilized than Hitler: When anyone or anything challenged his implementation of oligarchical policy, they were brutally repressed.

Throughout his 20-plus-year reign, Mussolini’s economic policy was *always* made by direct agents of the Venetian oligarchy that had arranged the installation of *Il Duce*. In the initial period of Mussolini’s rule, this was, by Alberto di Stefani, and later by Count Volpi himself, serving as both Finance Minister and President of the Fascist Confederation of Industrialists.

Hjalmar Schacht, Hitler’s George Shultz, had played a similar policy-controlling role for the London financial oligarchy in Nazi Germany. But as Schacht, who served as Nazi economics minister, until 1937, wrote in his self-serving autobiography, the problem with the Hitler state was that it vested too much power in *Der Führer*, which made Nazi



*The futurist poet, Gabrielle d’Annunzio, a protégé of Venetian Count Piero Foscari, established the first Fascist city-state in Fiume, that was to become the prototype for Mussolini’s Italy.*

Germany difficult to control. In Mussolini’s Italy, there was no such problem; *Il Duce* was content to let the “experts” make his policy, and become its manager and implementer, the man credited with “making the trains run on time.”

Venice’s marionette Mussolini did whatever he was asked, including implementing policies that openly favored his backers at the expense of the Italian people. In the first five years of Mussolini’s rule, taxes on the wealthy were slashed, banking deregulated, taxes on banking activity abolished, taxes on corporate directors slashed and later eliminated, and all luxury taxes repealed. In addition, all inheritance taxes were repealed, as well as taxes on stock and bond transactions, and on movement of capital in and out of the country. Meanwhile, all government run utilities were privatized and deregulated.

### **The ‘Battle for the Lira’**

Not surprisingly, this produced a great speculative bubble which led to the collapse of the currency, the lira. When this threatened to bring down various banks and *fondi*<sup>1</sup>-run industrial concerns, the government moved to bail them out. The lira, which first inflated, was then forced into a massive deflation by central bank action. To check this, Mussolini was given a script in 1926 by his “expert” Volpi, that called for an extended deflation, included raising interests rates and

1. *Fondi*, literally, “funds,” refers to the “slime-mold” of oligarchical family holdings, which squat on top of, and control major financial and other institutions on behalf of the oligarchy.



A Venetian oligarchical group led by Count Piero Foscari (no photos can be found of this leading Venetian!), of an ancient family of Venetian doges, and including Count Vittorio Cini (above) and Count Giuseppe Volpi di Misurata (right), and many of the families that composed the former Venetian council, sponsored and ran the Mussolini project.



reducing the money supply, in what was called the “Battle for the Lira.” Volpi was able to secure a refinancing of Italian war debt from the Morgan banking interests in the U.S., on the basis of these brutal austerity measures.

When the physical economy fell into an even deeper collapse, Mussolini blamed it on speculators and the trade unions. While doing little to attack the former, the Mussolini Fascist state turned with a vengeance against the latter, outlawing strikes and eliminating, through a series of laws and decrees rubber-stamped by the parliament, all independent trade unions, creating in their stead, “Fascist” unions, which represented not their workers, but the interests of newly “regimented” economic sectors.

For the agricultural sector, Mussolini was handed a program for large subsidies to wealthy landowners masquerading, first as the 1925 “Battle of the Grain” (to make the country grain self-sufficient), and later, an “infrastructure” program, known as the “Battle for the Land,” which saw the draining of swampland, and which also provided employment at slave-labor wages for large numbers of newly unemployed. In the end, the majority of the benefits—and money—went to those wealthy oligarchs who continued to control Italian agriculture as they had for centuries.

In attempting to define Mussolini’s Fascist corporatism, economists and historians have made much of its alleged goal of “harmony” among labor, industry, finance, and government for a grand national purpose. But as we have indi-

cated, such harmony is an illusion; in all cases, the desires of the financial oligarchy trump everything else. In 1930, Mussolini created the much heralded National Council of the Corporations, where representatives of 22 sectors of the national economy were to meet to work out programs and resolve problems. In reality, the Council, like all of the Fascist structures, was a facade; it made no policy and decided little, other than seating arrangements at its meetings; what was important was left to the “experts”—the financial oligarchs and their retinue—to be done in private, in the absence even of *Il Duce*.

For example, when large *fondi*-run Italian banks went into bankruptcy following the collapse of the Austrian Kreditanstalt bank in May 1931, the Bank of Italy and the Finance Ministry concocted schemes to bail them out through the creation of three massive debt-recycling and funding operations funded by the Italian Treasury—the Soffidit, which bought industrial shares owned by banks; the Industrial Finance Institute (IMI), which issued loans backed by collateral of shares of troubled banks and companies; and finally, in 1933, the Industrial Reconstruction Institute (IRI), which took financial control of bank-owned companies, without nationalizing them. In none of these cases was Mussolini consulted or even told about what was being done, until the time came for his “rubber-stamp” approval. In each case, *Il Duce* became an enthusiastic salesman and cheerleader for the policies.



Mussolini's "Battle for the Lira" on behalf of the fondi, the financiers who ran his government, followed a huge speculative bubble, which threatened to bring down the banks and fondi-run industrial concerns. Here, 30-year bonds issued by the regime to bail out the bankers.

### Mussolini's 'Public Works' Programs

We have in other locations reported on the massive Mussolini public works programs.<sup>2</sup> While they did build infrastructure, they were organized first and foremost as a means to use the government to transfer wealth to private financial oligarchs.

For our purposes here, let us describe the characteristics of those programs. They used, for the most part, a corporatist model, which today is called the "public private partnership," to carry them out. It meant that private banking interests were given the virtually unlimited right to extract fees and interest on relatively short-term borrowing, to be paid for by the "public" through taxes and fees. In addition, the government ceded the control and ownership of this public infrastructure to these private interests, controlled by the same Venetian oligarchy that had installed Mussolini as their *Duce*, giving those interests future loot rights.

2. See Claudio Celani, "Mussolini Program Was Model for Today's PPPs," *EIR*, Feb. 1, 2008.

Ignorant or outright lying economists and others have tried to claim that such programs were the model for FDR's New Deal public works. In fact, the only thing they have in common is that they employed large numbers of people and they built public works, including roads and electrification. The FDR program was designed to use long-term public credit, to build publicly controlled infrastructure, with deliberate efforts to limit financing costs paid to banks to appropriate low levels.

Seen from this standpoint, FDR's program, by limiting costs to as close as possible to the actual costs of the infrastructure in labor, materials, etc., maximized its net physical positive impact on the economy. In the case of Mussolini's—or, more appropriately, the Venetian financial oligarchy's—program, the additional financing costs, and fees, and the inability pay these over the short term, placed an enormous burden on the economy, which could not be met, even under increasing levels of austerity; this in turn forced, even more costly refinancing.

New York Mayor Mike Bloomberg's loudly announced scheme for national infrastructure development, which he has borrowed from his "Volpi," Felix Rohatyn, resembles in all essential characteristics, the Mussolini plan, not FDRs—a state-subsidized program, for the primary benefit of Wall Street and London's bankrupt financial interests (see John Hoefle, "Bailouts and Corporatism, or Franklin D. Roosevelt," *EIR*, Feb. 15, 2008).

### Praise from the Oligarchy

No wonder, then, that Mussolini became the darling of the international oligarchy and its dupes, including in the United States, who sought to export the fascist "experiment" to other countries, creating an effective global fascism to serve their interests. It is with that goal in mind, that we hear and understand their gushing praise for *Il Duce*.

The American ambassador to Italy, Richard Washburn Child, wrote in a laudatory preface to Mussolini's 1928 autobiography, that "it may be shrewdly forecast that no man will exhibit dimensions of permanent greatness equal to Mussolini.... The Duce is now the greatest figure of his sphere and time."

"If I had been an Italian, I am sure that I would have been entirely with you ... [and would] don the black shirt," wrote Winston Churchill in a fawning letter to the Italian dictator in 1927. As late as 1940, Churchill still praised Mussolini as "a great man."

The chairman of the U.S. House Foreign Relations Committee, Rep. Sol Bloom, said in 1926, that Mussolini "will be a great thing, not only for Italy, but for all of us, if he succeeds. It is his inspiration, his determination, his con-

stant toil that has rejuvenated Italy. . . .”

The pro-fascist publisher Henry Luce put Mussolini on the cover of his *Time* magazine several times, beginning in 1923. In 1934, Luce devoted an entire issue of his *Fortune* magazine to Italy’s social and economic “miracle,” urging that the corporatist model be adopted as U.S. policy.

### **Bloomberg’s Corporatist Paradise for Wall Street**

Today, it is Bloomberg who has been anointed by the financial oligarchy as their prospective Mussolini for the United States, as part of a renewed drive for global fascism. He has already been carrying out a “qualifying run” of fascist policy and corporatist structures in New York, where the government of the city has become an extension of Wall Street’s financial oligarchy.

Two decades ago, in the midst of the city’s insolvency crisis in which Felix Rohatyn’s “Big MAC” fascist austerity policies were imposed on New York by Wall Street, Roger Starr, the former New York City Housing Commissioner, and longtime editorial board member of the *New York Times*, put out a proposal for planned shrinkage of the city. The Starr proposal called for the reduction or shutting off of services to the city’s poorer areas, closing schools, fire and police stations, and reducing bus and subway services, while protecting the areas of Manhattan and adjacent boroughs occupied by Wall Street and its upper-crust hangers-on.

Rohatyn’s “Big MAC” apparatus effectively imposed this program on the city, while ripping apart the social, political, and institutional opposition to his fascist plans in the trade unions and political parties. Over the recent six years, it has fallen on Bloomberg to carry out the endgame of this scheme.

Bloomberg, like Mussolini, doesn’t make policy. He is handed it by people he calls “experts,” who effectively run the city. In the case of financial policy, these are people from Wall Street, most notably Felix Rohatyn, who has advised on budget policy as well as “infrastructure.” Among the many things that have been discussed and implemented, are plans for privatization of social and fiscal infrastructure, including the outsourcing of public schooling and related services.

Bloomberg has used the city’s fiscal problems to go after the trade unions, ripping up contracts and benefit plans for municipal workers and teachers, offering them co-responsibility for implementing austerity.

He has made it his goal to maintain New York as the world’s center of global finance. To do this, he has all but eliminated taxation of Wall Street’s financial transactions, lowering many taxes on corporations and banks doing business in New York, while providing additional tax breaks and incentives for the financial sector. As Starr had recommended,



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he has beefed up services for Wall Street and the Upper East and West Side of Manhattan, at the expense of other parts of the city.

According to a recent interview with National Public Radio, Bloomberg said his passion is “efficiency.” His only ideology is “competent management.”

What this translates to is: Do whatever the bankers want and let them do whatever they want.

So, in Bloomberg’s New York, you can’t smoke in public, you can’t eat any food cooked with transfat in restaurants, and you can get thrown in jail for defacing walls of construction sites in lower Manhattan, but you can steal billions in stock and money-lending scams with impunity.

In April 1945, Mussolini and his mistress had their carcasses hung outside a butcher shop, after his policies and the war they helped bring about, had totally destroyed Italy. Can Americans learn from history and avoid a Bloomberg-led corporatist dictatorship that will most assuredly destroy this great nation?