



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, NY 10007

FOR IMMEDIATE RELEASE

January 23, 2008

No. 27

www.nyc.gov

**MAYOR MICHAEL R. BLOOMBERG ACCEPTS THE NATIONAL MAYORAL
LEADERSHIP AWARD FROM THE U.S. CONFERENCE OF MAYORS**

The following are Mayor Bloomberg's prepared remarks - Please check against delivery

"Thank you, Mayor Palmer, and thank you for this honor.

"I suspect the real reason I'm getting this award is that Mayor Palmer is hoping I can get him Super Bowl tickets. And I believe Mayor Schmitt from Green Bay is here. We had a friendly wager on last week's game. Now, I'm not going to rub it in, but if anyone here would like to enjoy some delicious Wisconsin cheddar, see me afterwards. Mayor Tom Menino of Boston and I also have a little wager going: If the Giants win, Tom has promised to send me some genuine New England Clam Chowder. And if the Patriots win, I have promised to send him some genuine New York rush hour traffic.

"Mayor Palmer, Mayor Schmitt, and Mayor Menino are all members of our coalition of Mayors Against Illegal Guns. We started with 15 mayors two years ago, and we've grown to more than 250 members from both political parties and from more than 40 states. If you'd like to join, we have a representative at the back of the room.

"This award is a real honor, but it could have gone to any number of other mayors who are some of the country's strongest environmental leaders: Chicago's Rich Daley; Seattle's Greg Nickels; Miami's Manny Diaz – those are just a few of the names that come to mind. In New York, we have no shame about stealing the best ideas from those cities – and from cities around the world – and working to push them to the next level. That's how we arrived at our plan to cut electricity costs in government buildings by 30 percent over ten years and to turn our fleet of taxi cabs into hybrids, which will reduce their CO2 emissions by 50 percent. Those hybrids are allowing each cab driver to save about \$5,000 a year in gas costs.

"Innovative environmental policies also make good economic sense and – these days – we could use a lot more good sense when it comes to how we approach our economy. If you'll allow me to veer off-topic, I'd like to say a few words about the economy, because the debate over the economic stimulus package is the big issue in Washington right now and mayors should be a part of it.

“Mayors are the ones on the front lines of the economy, and we’ve got a lot to be worried about: The stock market has already given up more than the entirety of the gains it made last year, in just three weeks. Housing starts are at a 16-year low; oil is at \$90 a barrel; food prices are up sharply; banks are turning to foreign funds to maintain reserves; and homeowners are defaulting at record rates. But from where I sit, having spent 35 years in the private sector, the debate in Washington is missing the point.

“Tax rebates, more generous unemployment benefits, home heating oil credits- these measures could modestly benefit Americans, and there is some value in that. Cutting taxes and increasing spending to stimulate demand is the standard Keynesian response. But there’s just one problem, it’s not going to make much of a difference, because we’ve already been running huge deficits.

“John F. Kennedy told us, ‘The time to repair the roof is when the sun is shining.’ That’s what many of us in this room did. We used the good times to save for the future and pay down debt. And when the storm clouds started gathering last year, we tightened our belts. In New York, we put \$2.5 billion into a trust fund, beginning in 2006. Last year, we began cutting agency spending by 2.5 percent and we instituted a hiring freeze. But in Washington, they did exactly the opposite.

“They spent most of this decade running up bills with reckless abandon and when the economy started heading for the ditch, the special interest give-always got even bigger. They ate the seed corn without worrying about the next year’s harvest. Well, the next year is here, and the seed corn is gone. All we’ve got is a barn full of I.O.U.s.

“We can’t borrow our way out of this. The jig is up. It’s time to start getting our house in order, which I believe starts with a simple idea: Making decisions based on the business cycle instead of the election calendar.

“We all know that spending decisions in Washington are driven by whatever will attract votes and campaign cash. You can see it in the farm bill: 10 percent of farms – the large agribusinesses – captured 75 percent of the benefits, while the small family farmer got a few crumbs. You can see it in the energy bill, which was also a gift to agribusiness – and the rest of us are paying higher food prices as a result. And you can see it in the response to New Orleans, banks got their mortgages covered, but people still lost their homes.

“We can do better – if we start focusing on stimulus policies that make sense over the long term. Without keeping you here all night, I’d like to touch on a few ways we can do that.

“First, the most important and immediate economic relief we can offer is to help people who are in danger of losing their homes stay in their homes. What good is a rebate going to do for a family who’s about to lose their home? As a businessman who believes in the self-correcting nature of markets, I don’t think we should bail anyone out – the industry or the speculators. But it’s short-sighted to allow whole neighborhoods to fall victim to this, because when neighborhoods empty out, crime and drugs and violence rush in.

“That’s why the U.S. Conference of Mayors has been an important leader on this issue. The three-quarter point cut in interest rates will be helpful – not only to homeowners with

variable mortgages, but also to the construction business, because more people will consider buying homes. But, we should do more to provide assistance to families trapped in bad mortgages so that they can keep their homes.

“In some cases that will mean financial counseling. In others it will mean ensuring that lenders make good on their promises to modify loans and make them affordable. And in some cases, it may also mean offering families trapped in bad mortgages a subsidized loan before their interest rates shoot up. This approach would provide immediate relief that would help stabilize both the national economy and strengthen local neighborhoods.

“Second, I believe - and I know a lot of mayors agree - that the best way to pump money into the economy in the short-term and get something out of it in the long-term is to finance immediate infrastructure projects that cities and states can't afford. I'm sure all of us have a list a mile long - bridges and roads and mass transit systems that need repair. Why not put people to work on these projects right now? Remember, the public works of the New Deal didn't just create jobs. They built a foundation that allowed America to experience unprecedented growth in the 1940s, 50s, and 60s.

“Last week, I was in California with Governor Schwarzenegger and Governor Rendell of Pennsylvania. We launched a new, nonpartisan coalition of mayors and governors called Building America's Future. We're going to push for a new national commitment to infrastructure, and I hope all of you will join us. Other countries around the world are spending 5-10 percent of their GDP on infrastructure, while we've been down around 2.5 percent for decades. And it shows - not just in New Orleans and Minneapolis, but all across the country.

“The problem isn't just that we're not investing enough in infrastructure, it's that we're investing badly. It's time we start spending on the infrastructure Americans need, not the pork barrel projects that politicians want. Senators Chris Dodd and Chuck Hagel have proposed creating an infrastructure bank for this purpose.

“That strikes me as a very good idea, and here's another one we should consider: a capital budget for the federal government. Almost every mayor in this room has a capital budget, and so does just about every industrialized nation. But not Washington.

“I built my company on the idea that better, more transparent data will help people make better decisions. There's a saying: In God We Trust. Everyone else bring data. Washington should be no exception. Telling us how and for what our money's being spent let's us, rather than them, make the decisions.

“Third, it's time to stop talking about protecting manufacturing jobs and start talking about promoting manufacturing jobs. We can create a stronger manufacturing base, but only if we focus on what we excel at as a nation - innovation. We invented the telegraph and telephone and built an industry that began a communications revolution.

“We invented the airplane and built an industry that began a transportation revolution. We invented the personal computer and built an industry that began a technological revolution - and that allowed me, and so many other entrepreneurs, to launch companies. No economy is more innovative than ours, but other countries are catching up. If we're going to stay ahead, we

need to develop market-based incentives for promoting innovative new industries that can make break-through products and breakthrough materials.

“Demand is growing in every industry for materials that make products better, lighter, faster, cheaper and greener. That’s especially true of green energy, biotechnology, life sciences, computer technology. These industries are going to create millions of jobs. But whether those jobs are American or foreign will depend largely on the economic climate we create.

“Fourth, it’s time to take the best ideas from the left and the right to reward work and raise real incomes. If and when Americans get rebate checks an awful lot of them are going to be asking, ‘why is this the first real raise I’ve gotten in years?’ ‘Why didn’t my income grow with the economy?’ Too many Americans are working hard just to stand still – even after a long period of economic growth. We can do better.

“Expanding the earned-income tax credit and eliminating its marriage penalty would be a more effective way of getting money into people’s hands than a rebate – and, unlike extending unemployment insurance, it would incentivize work. To help Americans stretch their dollar further, we should also use the downturn to begin getting serious about finding ways to control health care costs, and reforming policies that add hundreds of dollars to every family’s grocery bill. But the single-most important thing we can do to raise real income in the years ahead is to invest more – and more wisely – in education and job training.

“It’s popular to throw money at job training programs, but too many of them are glorified social-service programs. In New York, we turned job-training upside down by instituting pay-for-performance contracts and linking workers with growing industries. Now, job-training centers get paid in full only if they place clients in jobs – because that’s why we hired them. If they can’t do it, we’ll find someone else who can. By taking this approach, we’ve gone from placing about 500 people in jobs every year to placing about 18,000 per year.

“Tailoring services around the customer and holding everyone accountable for results: that’s what you do every day in the private sector, and that’s what should be done in the public sector, not only in job-training, but also in our schools.

“We need national leaders who have the courage to put every idea that will help children succeed on the table – whether those ideas come from the left or the right. Higher standards, higher salaries, merit pay, tenure reform, school report cards: These reforms have been essential to our success in New York – and if we’re serious about creating an education system capable of raising real income over the long-term, we can’t afford not to try them.

“Fifth, and finally, we could strengthen our economy – today – if Congress would pass a comprehensive immigration reform bill. Illegal immigration has become the pandering politician’s best friend. But here’s the reality: we all know that the federal government has failed to secure the borders and failed to give businesses the tools they need to deal with the issue.

“But at the same time, we have to stop turning away people that our economy needs. Not only unskilled laborers, but also scientists, doctors, engineers, and innovators of every kind. They are going to invest in America and open businesses and pay taxes and create millions of jobs.

“The only question, once again, is whether we allow those jobs to be created here, or whether we continue sending them elsewhere.

“If America is going to remain the world’s economic superpower, we have to continue welcoming the best and the brightest from all over the world. Otherwise in another generation or two, other countries that are producing high-wage jobs are going to be out-sourcing low-wage jobs to us.

“The problems of our economy are not going to be solved with a quick fix. We need policies that will produce a boost in the short-term and a boom in the long-term. We have it within us to build a strong and stable economy. And by that I mean one where entrepreneurship is encouraged, where there is freedom to innovate, where opportunities are open to all, where benefits are shared by everyone, and where families can find economic security.

“That’s the promise that America has always held, and we deserve a federal government that does more to help Americans redeem that promise. Thank you again for this award, and for being such strong partners on so many of important issues.

“And, Go Giants!”

-30-

Contact: Stu Loeser (212) 788-2958