



New York facing bankruptcy in a month

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NY Governor David Paterson announced to a hastily assembled joint session of legislators that the state will be bankrupt in a month's time unless lawmakers immediately strive to close an ever widening budget gap.

Standing stiffly from a podium in Albany's Legislative Hamilton

hearing Room, the governor said, "We're going to run out of cash in four and a half weeks. We are going to run out of money – unless we do something about it."

Paterson, who is unpopular with the legislature, proposed up to \$3.2 billion immediate slash-and-burn cuts in both the education and health care sectors, despite the fact that \$1 billion of the state's money has already been committed.

Sensing a severe reprimand of mutinous proportions from the legislative body, Paterson added that he might be "mortgaging" his political career by insisting upon the drastic cuts, but that he would not stand idle and "mortgage the fate of New York State."

Faced with giving the go ahead to the cuts, fellow Democrats are hedging since such a drastic economic move would almost certainly mean a severe rise in local property taxes. It would also mean mid-year education cuts, which could spell disaster for public schools, their teaching staff and curriculum. Closer to home, however, it is a safe bet that legislators are stalling, since the cuts will more than likely cost them their jobs come election time next year.

Still, other lawmakers are merely throwing up their hands, interpreting Paterson's up-against-the-ropes bankruptcy threat as a desperate way of gaining a badly needed "photo op".

The math, however, speaks for itself, which is why on Tuesday night Paterson ordered lawmakers to an emergency session to find a way of closing the budget gap now. Their goal is nothing less than the financial rescue of New York State, which includes New York City's Wall Street Stock Exchange, arguably the financial capital of the world.

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