

Speech by Eliot Spitzer
Democratic candidate for Governor
Sunday, March 10, 2006
at the 14th Congressional District Democratic Caucus

Introduction by Assemblymember Pete Grannis:

My great admiration for Elliot comes from the fact that he knows when to fight and how to fight, and he's made such a difference. Carolyn talked about the financial services industry, he took on the mutual funds for unfair trading practices and changed an entire industry across the country. He took on the insurance industry for bid-rigging, and changed how they conduct their business and brought down some of the giants who had been cheating the system for years. Elliot and his staff took them on and brought them to their knees.

The same goes for the pharmaceutical industry. Clinical trials across the country are being conducted, some in public, some in private. We never hear about clinical trials if the results aren't good for the company that sponsors them. Elliot led the fight to make those clinical trials public. That's a very, very important accomplishment.

Not content with just being in New York, he took on pollution, a big, big problem from acid rain. Often our problems from acid rain come from other parts of the country. The midwest has power plants providing power for huge segments of the country. The plumes blow over New York, and acid rain and smog cripple our upstate economy, cripple the environment in the Adirondacks and other places. Elliot sued the midwestern polluters, got an adjustment for emission standards – a huge, huge victory by a New York State Attorney General in the way businesses conduct their practices in Ohio and other parts of the midwest. A great victory for the environment and a real tribute to Elliott Spitzer.

The tobacco companies, the bane of my existence, something I've worked on very hard – Elliot has been in the forefront in focusing on the tobacco industry practices not only in targeting children, their prime target, but in the collection of sales taxes on reservation sales and practices where hundreds of millions of dollars are lost to New York because of the sale of tobacco products to people without collecting the proper taxes.

The list goes on. But what it brings you back to is the tradition of the Attorney General's office, where there was Louis Lefkowitz, and Bobby Abrams, and now Elliot Spitzer. This is the People's Lawyer, a phrase that's overlooked at times, not taken all that seriously. This is the office that goes out when the little guy can't make it on his own, when he cannot get recourse, he turns to the Attorney General of the State of New York to stand up for the little guy that cannot fight on his own. This is a champion of the little guy. He's made the Attorney General's office with capital P and L [for People's Lawyer] the premiere Attorney General's office in the country. In fact, it got to such a point, and Carolyn knows this well, that they've been trying to derail some of his efforts with laws in Washington to take away the ability of the State Attorney General – except this is the only one they're focusing on – to be able to take on these things where the

federal regulators aren't doing their job – the SEC, the World Trade Commission hasn't functioned properly... This is a true champion of the little person that need the people's lawyer to look after their interest.

So it gives me a great deal of pleasure – times are changing, a new day in Albany, things will be different starting in January. We actually have a count, what is it, 294 days left.

Eliot Spitzer:

I'm counting to November 7 for some reason, not to January 1st.

Grannis:

Well, it's like the bumper sticker that going around for President Bush – it's 2008, hold on America. Ours are shorter. So, Elliot, I'm pleased to introduce you to the members of the 14th Congressional District caucus, friends, visitors, Elliot Spitzer, the Attorney General of the State of New York and the next Governor of the State of New York.

Spitzer:

Thank you all. That's very kind, very humbling. I enjoyed it, especially on a Sunday morning – it's all gray outside.

A couple of things: You always feel like responding. Pete said that I know when to fight, and we've won our fair share. You lose occasionally, but if you don't lose, it proves you're not fighting hard enough, in my view. I often say to people, the line between courage and stupidity is very thin, and there are times when you never know which side you're on when you pick these fights. I think we've picked the right fights. I know we have picked the fights designed to vindicate the public interest – as Pete says, to stand up for that notion of what the public deserves, demands, and we have done so on a range of issues, and it has been a thrill – it's been the joy of my life.

I can't imagine any job being more exciting and rewarding, even if unfortunately being governor will be a harder job, because the balancing of interests and the competing demands for money make that more difficult. As Attorney General, you get to stand up, and I've said this to every lawyer I've hired, and I've hired hundreds of lawyers over the last seven years, we get to do something that, for a lawyer, is absolutely magical. You get to stand up in court of law, in front of a judge, in front of a jury, and say, "I represent the people of the State of New York," and that's a remarkable thing to say. You don't represent the narrow interest, you don't represent a company, you don't represent even an individual, all of which can be important and rewarding – and, as a lawyer, I genuinely believe that – but to stand up in a court of law and say, "I represent the people of the State of New York." You can't do better than that as a client. I mean, I've said to people, there are a number of reasons. It is the emotional power of what you get to do, doing what we up here want to do, which is to represent the public interest. Second, the public doesn't call at 6:00 at night and say they need a TRO the next morning, which clients love to do, and

third, the public pays its bills, and its sort of a... it's a good way to be a practitioner. We enjoy it and we do the right thing.

You mentioned People's Lawyer – P with the big P and L – that always struck a chord. You know, these days you hear “P & L” and you think “profit and loss statement” and, it also occurred to me that these days... We've made money for the State, and it isn't just tobacco settlements, it is all the tax enforcement, it is the Medicaid fraud... We have returned more money to the public fist than the agency has cost. We have a couple hundred million dollars a year in budget, but we have made money for the State. I've often said to myself, if we could run the State as efficiently as we've run the AG's office, we could make a profit-making venture out of State government. I'm not sure we'll get quite that far, but it will be nice.

And then we can build the subway – where is it, Second Avenue? [laughter]. Well, let me tell you, I was out today before it was raining as heavily as it is now, walking my dog... I shouldn't say this in front of so many folks. No matter who you are, there is something very equalizing about walking your dog and needing to walk behind your dog, picking up after your dog, it's a great way to see people, you know, they think they're too important to talk to you or... You see everybody out there doing something as basic as that, it's a great way to chat with them.

But I was out there walking my dog this morning, and even though it's gray and misting heavily, if you look very carefully, you can begin to see the green coming out. And I'm not a botanist, I think I went to the botanical gardens as a mandatory third-grade class 40 years ago. I'm not big on this stuff – I know a crocus when I see it, but there's something energizing and enervating about seeing the green come out, and it's wonderful. But it also struck a different chord this year because it reminded me another year has gone by. And, not to harp on the 2nd Avenue Subway because Carolyn mentioned it, but where are we on the Second Avenue Subway? Nowhere. Where are we in terms of getting our investment in the New York City public education system? Nowhere. Where are we in terms of fixing a health care system that clearly needs to be redesigned? Nowhere. There's been stagnation in State government. There's been a failure to move us forward.

Whatever people thought about the stadium – and I think most people were against it; we just thought it just didn't make much sense, whatever the merits may have been, the notion that the MTA was going to take a piece of property that is worth, conservatively, \$2 billion, and give it to the football team for \$100 million – a \$1.9 billion gift – when if you took that value and put it into mass transit, you could afford a major piece of phase one of the Second Avenue subway. Why were they doing that? Because they don't know how to run government. They don't understand the mission. So the years have gone by and we have not grappled with expanding on Manhattan West, which I know isn't in the 14th Congressional District, but it is integral to economic development here [that] we haven't done, whether it's the U.N., Second Avenue subway, smart zoning, Roosevelt Island, major issues there, nobody is thinking about this and why is it?

I think it goes back to what Carolyn has talked about for all the years you've been in Washington – making government work. Certainly since Bush has been there, and let me go even farther

back than that – in my view, since 1976 when Ronald Reagan, whom we respect for many things, I'm sure – when Ronald Reagan in 1976 began to speak to a different ethic than what most people in this room believe. His ethic was, "Government is the enemy; government doesn't work; government can't help, there is no necessity of having a government that deals with our social fabric, invests in our communities," and so we have seen government wither over the last 30 years, wither in terms of its effectiveness, to the point where our intelligence agencies were fundamentally wrong in the most egregious ways, and that is because we didn't know how to run government because government didn't care. It wasn't a happenstance that FEMA couldn't respond to Hurricane Katrina. Government has withered because they've spoken about government in such denigrating ways that they can't recruit good people.

Why did the SEC wither and effectively die? It's not because it was underfunded. They couldn't recruit good people because they denigrated its purpose. The denigrated government's purpose for so many years. If the CEO of any product at the top of the company denigrates the very purpose of the product, we want to have a bad product, of course the infrastructure of the product and the infrastructure of government will disappear. And that's why government, whether it's Washington, or George Bush, both senior and junior, and Ronald Reagan denigrated government, and here in New York State where George Pataki never had a good thing to say about government, and consequently government has failed.

We believe government can help. We don't believe in an overly expansive government. We believe in the restrained, smart use of government. But when you spend the dollars, do it wisely. Do it effectively. Invest in education because we know it is the fulcrum of economic growth. Invest in our infrastructure here because, if we don't, we will see New York City begin to wither. We have hoping to get a million people over the next 20 years. Why do we hope that? Because that's a sign of growth. We won't be able to if we don't build a Second Avenue Subway. And I didn't mean to list it three times, because I talk about it all the time. I believe that, which is why last November when proposition 2 was on the ballot, the transportation bond act, I was the first – George Pataki wasn't the one who was out there campaigning for it; I was. And Alan Hevesi was – everybody was. But we were out there because we understand we must make these investments.

Now, there are some folks out there who continue to denigrate government, who say "less, less, less," and then they stand up and wonder why it is we are outperformed by the Asian economy, why does New York rank 40th in graduation of high-school kids that go on to college? Why is it that we are losing the most value-added jobs to the research triangle in North Carolina, and to Asia where they are producing more engineers. I'll give you a statistic that will worry you. Probably everybody in this room reads Thomas Friedman and understands the larger movement of tectonic plates and all that is going on there. Last year, Asia, China graduated 600,000 engineers; India, 350,000; the United States, 70,000. In that context, where will the next iPod be developed? Where will the next operating system be created? Those are those the jobs we need here in New York City, New York State. What is our model going to be? The economic model has to be high value-added jobs based on intellectual capital. That's what New York is. That's what we believe in. That's why we draw the human capital. That's what immigration is all about. People come here because they believe that if they're smart and they work hard they'll

succeed, and in order to make that a reality, our job in government is to invest in the schools, in the transportation, and in housing – I haven't mentioned it yet. It's an enormous crisis here in the City. Where are we going to put a million additional people? We want them to live in the City. We know that we have a housing crisis as it is. Has there been an urban agenda in Washington? No, not in all the years I can think back. And I hate to say it, even under President Clinton we didn't do enough. Certainly not from Albany. There has not been incremental dollars flowing to housing in New York City.

If you want to go to a good op-ed, go to the New York Times City Section this morning [Sunday, March 12]. There's an op-ed written by a fellow whom I will track down – I don't know – perhaps I should know him, I did not recognize his name – about housing and funding housing and how we have to do more in New York City. It's addressed to the next governor – I didn't take it personally [laughter in audience]. But I gave it to my wife; I said, "Look, he could have called if he was..." But it is a very smart critique of where we have to move in housing policy if we're going to make a difference.

So there's so many arenas in which we need to begin to think in a smart way. Now Carolyn, and Pete was nice to listen to – he said some nice things about what we've done in the office. What we've done in the AG's office for the last 7 years speaks to certain core values. Values of, first and foremost, making government work, bringing in the best people whom you can hire, something we as Democrats actually believe in. When we take office we say, "Aha, where is there wisdom, where is there smarts, where is there creativity, somebody who knows how to run a business?" And that's why President Clinton left with a surplus, left with a booming economy, and that's why the guys in Washington right now, who get everything fundamentally wrong, are leaving with the most staggering deficit, tax rates that have been moved in an aberrant way in terms of social values. They don't understand how to actually run a business. They talk a good game, but they're abject failures when it comes to actually performing.

We're going to bring, I hope, to Albany, those same values – bringing in the best people. In New York State, there is a wealth of talent. You look at the people out there who have performed in the not-for-profit sector, in academia, in government, in the private sector, who are just waiting to say, "Give us a chance to show how we can run an Insurance Department, the department of health. The Department of Health, which in the State of New York might as well not have existed for the last ten years for all it's done. Unfortunately, it's done harm – their lack of leadership on health-care issues. The Public Service Commission, again, one of these welter of agencies that has failed utterly. We have an energy crisis in New York State. We don't think about it as much in New York City because energy here is not the incremental cost that determines, do we locate here or not. You speak to upstate manufacturing companies – energy is an enormous factor for them. The Public Service Commission is stocked right now with political appointees, not people who know how to make energy policy or telecom policy.

We want to bring to government the energy, the wisdom, the smarts, the dedication to making it happen, and we'll turn the corner.

Now, let me stop for a second, and just say "thank you." And it is a thank-you to the elected

officials who are here – to Carolyn, to Pete, to Dick Gottfried, Liz Kreuger – who are great – Jonathan Bing... These are colleagues whom I have been privileged to work with, whom I have been privileged to follow – whose footsteps I follow in, who are cutting a new path – a path of reform, of leadership, defining the public interest, and there’s a lot of talk out there right now denigrating government in every way, shape, and form. There’s a lot that we need to reform, and we’re all reformers, but what does it mean? It means bringing folks like this into State government, and the public well-being and public values. So I’m proud to stand with my colleagues in government. I don’t run from them the way some people do, who say, they’re elected officials, therefore they’re bad. No. These are individuals who define public service, whom I’m proud to stand with, whom I’m proud to agree with 98% of the time – kind of like 2% we disagree, and that’s healthy – that’s the Democratic Party – we will work in the public interest at all times. So I’m honored to be here, and I appreciate your leadership.

And let me just say this about Carolyn – such a strong, clarion voice against the Bush administration [extended applause]. Carolyn began when George Bush was way up in the polls. Now he’s way down. But Carolyn has been consistent in saying, “This guy is wrong, he doesn’t get it.” And you look at him these days and it is like the bumper sticker – you just say, “Gee, hold on.” What has he gotten right? It’s really an unfortunate state of affairs. That’s where we are. And so even his own party is wondering now – how do we survive the midterm elections – how do we hold on – when that’s what the Republicans are saying, you know that he has lost his base, and Republicans are finally awakening to the fact that there isn’t the capacity right now to make the hard decisions that need to be made. And so, those who are in the room right now, I thank you for your support, I thank you for your leadership.

Carolyn Maloney:

He was named “crusader of the year” by *Time Magazine*, “sheriff of Wall Street” on *60 Minutes*, “The Enforcer” by *People Magazine*, and *Reader’s Digest Magazine* has called him “America’s best public servant.” Now that’s quite a record.

Q&A (portion)

Matthew Katz (former president, Roosevelt Island Residents Association):

My name is Matthew Katz. For my sins, I’ve been a two-term president of the Roosevelt Island Residents Association. We’ve been waiting for you to be governor for a long time. As you know, Roosevelt Island is governed, not managed, not administered, by a public authority, RIOC, the Roosevelt Island Operating Corporation, a public benefit corporation that is responsible to the governor and only the governor and for the last ten years, we have been under the heel of George Pataki. We have been blessed with public officials like Carolyn Maloney, and Pete Grannis, and now Jessica Lappin, who have been stymied along with us by not having much control over a dysfunctional, undemocratic system. And we are anxious to sit down with you and not just

discuss our issues, but discuss the remedies to those issues that are entirely within the purview of the governor, so we're hoping that we'll have that opportunity.

Spitzer:

You absolutely will, and I'm happy to have the meeting, look forward to having the meeting between now and November. If I'm fortunate enough to win, here's the most important point: I will appoint – because my understanding is it's a gubernatorial appointment to that authority – I will appoint people to that authority from Roosevelt Island, who understand Roosevelt Island, who will speak to the public purpose and who have the understanding and knowledge base to make smart decisions, and that will be based upon our meetings, and the other meeting based on the housing issues, the parkland issues, the transportation issues there on Roosevelt Island. It is – what you are feeling – and perhaps it's a little worse in terms of Roosevelt Island because you read about it and feel as though the colony's is back pre-1776 – except there's no tea to throw overboard, so it's – you've done that? All right. But we will address that, but what you are going through is symptomatic of the larger problem at the public authorities, where this administration has used them, by and large, as a dumping ground for friends rather than as an opportunity to govern. The authorities – and understand, again, there's a little schizophrenia here – the authorities were created based upon a theory that if you put smart people in charge you could get decisions made outside of raw politics that perhaps would be better. The understanding was that you also lost something in terms of transparency and accountability, but with the right people in charge they said, “The trade-off, OK, may be a fair one.” Now what you have is the worst of all possible worlds – no accountability, no transparency, and the wrong people in charge, and so you get bad decisions being made by the wrong people and it's somewhat akin to what I've said about the off-balance-sheet partnerships at Enron – you take all the bad stuff and hide it in these authorities and we're stuck with it. It's a real problem.