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WHAT, ELIOT WORRY?

New York Post Editorial

January 16, 2008 -- New York earned a dubious distinction yesterday as one of the few states not making news for its bud get prudence.

"Slower growth in tax revenues are prompting governors from New Jersey to California to consider an array of belt-tightening measures to balance their budgets," The Wall Street Journal reported.

Fiscal responsibility, it seems, starts at the Hudson - and runs west: The Empire State, you'll note, didn't make the list.

Yet New York is hardly immune to the national slide. (In the third quarter, the 50 states' combined tax revenues fell for the first time in four years, the Rockeller Institute of Government reports - down 0.6 percent after inflation.)

Nor is Gov. Spitzer generally known to wear suspenders - so why no mention of belt-tightening in his State of the State speech last week?

Why no warnings about cuts to keep spending within its means?

Maybe because the governor has no significant cuts in mind.

Unlike, say, Kentucky Gov. Steve Beshear, who's asked state agencies for 3 percent spending trims.

Or Calif. Gov. Arnold Schwarzenegger, who plans to actually close parks and slash school aid as part of a necessary effort to save billions.

Spitzer, by contrast, brags about boosting outlays at least 5.3 percent - which is well beyond inflation.

New Yorkers may get clues to the gov's fiscal intentions next Tuesday, when he presents his Executive Budget and kicks off talks with lawmakers.

But the need for adult supervision is clear: In Spitzer's most recent estimate, he cited a \$4.3 billion cash shortfall. Since then, the news has gotten only worse.

Wall Street, which spins off much of the state's revenue, is facing tough times. Yesterday, the Dow sunk another 277 points, more than 2 percent.

Citibank announced a whopping \$18 billion write-down, a \$10 billion quarterly loss, a sharp dividend cut and the termination of 4,200 jobs (in addition to 17,000 pink slips announced last spring).

No matter.

Spitzer didn't note one single spending cut in last week's speech. Instead, he argued that now is the time for new "investment" - in education, health care, subsidized housing, infrastructure, the Upstate economy.

New Yorkers cannot "let ourselves be paralyzed by challenging fiscal times," Spitzer said. (Why let a little thing like no money restrain spending, that is.)

Maybe Spitzer owns a printing press. (Or suspenders.) But without tightening the state's budget belt, New Yorkers' nation-leading tax burden is likely to become even more oppressive.

No wonder the other states look good by comparison.