

## New Yorkers wooed for their money

By Sarah Mishkin in New York

Published: July 7 2008 20:39 | Last updated: July 7 2008 20:39

It's politics as usual in New York City, the financial capital and political pariah of the US.

Although New York state is the nation's third largest, it has not sent one of its politicians to the White House since Franklin Delano Roosevelt in 1933.

At the start of the primary season, New Yorkers were thrilled, if a bit incredulous, that their state could finally come in from the political cold. Hillary Clinton, their senator, was the Democratic front-runner for president. Rudolph Giuliani, the former New York City mayor, led the Republican field. His successor as mayor, Michael Bloomberg, was coyly hinting at an independent bid. Looking ahead, pundits suggested Eliot Spitzer, who at the time was the state's governor, might run.

Four strikes later – felled by poor campaign strategy, indecision and, in the case of Mr Spitzer, a call girl – and New York's politicians were out. Local rainmakers were left playing their accustomed positions of donors as Barack Obama and John McCain raced to tap the city's only natural resource: money.

While still in the race, Mrs Clinton had been able to raise \$33m (€1m, £16.7m) from her New York state network alone. Mr Giuliani had raised \$9m, far more than he earned anywhere else. With the general election four months away, those donors are again being wooed aggressively.

“Many friends of mine have been asked to donate many times by people who they knew very well – Giuliani, Clinton and Bloomberg – and they did, and now those investments have not paid off and they know they're going to be hit up again,” says Peter Vallone Jr, a New York councilman.

But, he adds, New Yorkers, however frustrated, are too conscious of the election's stakes to sit it out. As Mitchell Moss, a political science professor at New York University, puts it: “Money goes to power and New York is still the centre of money.”

Mr McCain's campaign made news during the primaries by recruiting several large New York-area fundraisers. Once Mr Giuliani exited the race he again swooped in, scooping up Paul E. Singer, founder of hedge fund Elliott Associates and one of Mr Giuliani's

most generous supporters. Mr Singer has since donated nearly \$30,000 to Mr McCain and raised hundreds of thousands more.

According to Guy Molinari, a former New York City congressman who co-chaired Mr Giuliani's campaign and is now state vice-chair for Mr McCain, the campaign is planning fundraising events for the coming weeks to reach out to potential local donors. Many of them have not yet been directly asked for contributions, says Mr Molinari, adding: "He's pulling in a lot of money, but I think he could do better."

New York money has been crucial to Mr Obama from the beginning and his early success there underlined the credibility and potential of his candidacy. Employees of Goldman Sachs, the investment bank whose headquarters are in lower Manhattan, have donated \$571,000 – more than employees of any other company and \$400,000 more than they have given to Mr McCain, according to data compiled by the nonpartisan Center for Responsive Politics.

Now, after Mrs Clinton's endorsement, Mr Obama is reaching out to an even wider base and is expected in New York for fundraisers on Wednesday and Thursday.

Prof Moss says the election shows how the city's politics and social mores may now be more palatable to the rest of America, but that, otherwise, not much has changed.

"What makes New York important is that it is a city of capitalism," he says. "As long as we have a capitalist economy, politicians will come to New York."