

NEW YORK OBSERVER

© 1998 THE NEW YORK OBSERVER COMPANY INC.

The New York Observer - October 20, 1997

Surging Rudy Owes Debt to Washington

Rudy Giuliani has two invisible running mates: federal reserve chairman Alan Greenspan and Treasury Secretary Robert Rubin, who have been the architects of his re-election campaign. These two financial wizards engineered Bill Clinton's re-election last year and are doing the same thing for Rudy Giuliani this year.

Consider the gift that these two men presented Mr. Giuliani this year: Under their leadership, the financial sector has been booming, and City Hall found itself with (of all things) a \$1.3 billion surplus for the fiscal year that ended in June. According to State Comptroller H. Carl McCall, it's the largest surplus since 1981, when the city began using generally accepted accounting practices. An election-year surplus is the stuff of political dreams. It has allowed the Mayor to reverse his early record on school spending by adding, rather than cutting, funds for the Board of Education. Mr. Giuliani al-so has used the surplus to win over the parks and culture crowd with spending initiatives that led Nat Leventhal, Lincoln Center's presi-dent and Ed Koch's former first deputy mayor, to insist that Mr. Giu-liani has been the "best mayor for culture since John Lindsay." The Mayor also pacified the City Council by letting members spend money on favorite park projects before Election Day.

Despite the fact that Mr. Giuliani held no elective office before becoming Mayor, he has been a master at using the municipal treasury to gain the support of his former opponents. In just four years, he has won the endorsement of many public unions as well as two of the city's black Congressmen, Floyd Flake and Edolphus Towns. It's not surprising that so many Democratic Council members are backing Rudy; they understand the enormous power that the Mayor has under the new City Charter and the total breakdown of the Democratic political party in this town.

Just as Bill Clinton used Federal egislation to take way traditional Republican weapons like welfare reform and the death penalty, Mr. Giuliani used his budget surplus to deprive Democratic Party nominee Ruth Messinger of the muscle that unions usually use to deliver Demociatic votes. Stanley Hill, the leader of District Council 37 and one of David Dinkins' most prominent supporters in 1989, has publicly blessed Mr. Ginliani and has had nothing good to say about either Mr. Dinkins and Ms. Messinger.

Four years ago, few politicians could have envisioned a scenario in which minorily-dominated unions, such those representing transport workers and corrections officers, would support Mr. Giuliani while the substantially less divere Patrolmen's Benevolent Association and the United Federation of Teachers chose to sit on the sidelines.

It's no wonder the Messinger campaign has such a stillborn quality to it She thinks her opponent is Mr. Giuliani when, in fact, it's the Greenspan-Rubin team. These two ex-New Yorkers created the

conditions that have allowed a Republican to flourish in City Hall. Surging fees from mergers and acquisitions and the rise in the Dow Jones index to 8,000 are due to national economic policies, not to cuts in local taxes or the city's crime rate. Ironically, the Clinton Administration's anticrime legislation has even helped Mr. Giuliani to pay for the city's enlarged Police Department, a direct Federal contribution to the city's bottom line.

And, on the subject of crime, few people seem to appreciate Mr. Giuliani's success in making crime the domestic equivalent of Ronald Reagan's "evil empire." Since the end of the Cold War, American politicians have been searching without success for a cause to justify governments spending and to mobilize public opinion. George Bush tried to be the education President; Dan Quayle tried to champion family values (since he certainly couldn't spell); Mr. Clinton thought he could make health care reform a national priority; Al Gore continues to believe that global warming is his ticket to the White House.

Mr. Giuliani has them all beat. He carved up the crime issue into a series of small programs and themes, and he pounded away. Last month, he took on sex shops. Then it was a crusade against drugs. Finally, in early October, he declared war on gangs in schools and prisons.

Rather than dwell on the eternal and impossible goal of gun control, Mr. Giuliani has personalized and localized the crime issue. And, despite his successes, he hasn't tried to raise expectations too high. Although, despite the zero-tolerance talk about drugs, it's hard to imagine Washington Square Park without drug dealers. After all, where else would New Jersey's teenagers go to escape the banality of the Garden State's strip malls?

If the Mayor does in fact get re-elected by a large margin, there's no question that he'll be a contender for national office in the year 2000. If he can make peace with the city's municipal unions, surely he could seduce the pro-life Republicans with his anticrime crusade. It would certainly be ironic if the Republican Party ticket in 2000 included a New Yorker whose success was rooted in Democratic economic policies of the 1990's.