New York’s Mayor Bloomberg cites financial crisis in bid for third term

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After months of speculation, New York City Mayor Michael Bloomberg held a City Hall press conference on October 2 to make it official: he proposes to ditch the current term limits law in order to run for a third term in the November 2009 mayoral election.

"Given the events of recent weeks and given the enormous challenges we face, I don't want to walk away from a city I feel I can help through these tough times," said the billionaire Mayor. "It's not that people are indispensable; it is that people have put so much into this ... and every time I look around, I think there's so much more we can do."

The announcement by Bloomberg, who was elected as a Republican and later changed his party affiliation to independent, was followed later by one from City Council President Christine Quinn, a Democrat, who, implied she had reached a deal with the Mayor. She announced that legislation would be introduced this week to allow three four-year terms, instead of the current two terms, for the Mayor, other citywide elected officials and the 51-member City Council.

The Mayor, City Council President and numerous other public figures went through verbal contortions explaining why the term limits legislation they had previously backed was suddenly in need of amendment. Bloomberg had earlier said any attempt to circumvent the limits, which had been backed by citywide referendums in both 1993 and 1996, would be "disgusting." Quinn had opposed the idea of changing the rules as recently as last December. Significantly, neither Bloomberg nor his allies are proposing a new referendum to achieve their aim.

The rationale for overturning the law to accommodate Bloomberg's desire for a third term is that only a billionaire like him is prepared to guide the city through the deepening crisis that has been unleashed by the meltdown of the US and global financial system centered in Wall Street. The Bloomberg administration had already announced $1.5 billion in budget cuts, even before the wave of failures, bailouts and buyouts transformed Wall Street's landscape.

There was never anything remotely progressive about term limits, which were adopted not only in New York, but in numerous other localities around the country. Term limits were a central element in the "Contract With America" advocated by the Republican right under Newt Gingrich, who became Speaker of the House of Representatives in the 1990s. They used Reagan-style demagogy depicting "big government" as the country's principal problem, claiming that "throwing the rascals out" and bringing in a new bunch would somehow ameliorate the conditions facing the American people.

In New York, the term limits crusade was spearheaded by another billionaire, cosmetics heir Ronald Lauder, an arch right-winger who ran unsuccessfully in the Republican primary in 1989 and was soon eclipsed by the far more effective right-wing politician Rudy Giuliani. Having failed miserably in his first bid for public office, Lauder sought influence behind the scenes, bankrolling, to the tune of millions of dollars, the successful referendum for term limits in 1993.

Lauder has surfaced once again, having suddenly changed his mind on the issue. A month ago he announced an expensive new advertising campaign to defend term limits against criticism. Now, however, after some behind the scenes meetings with his fellow billionaire Bloomberg, he has at least partly switched sides. In an Op-Ed column in the *New York Times*, he explains: "Why do I believe term limits should be lifted temporarily to allow Mr. Bloomberg to run for a third term?" After referring to the city's desperate fiscal crisis in the 1970s, he adds, "During the last few weeks, we have seen an unprecedented rupture in our national economic system that rivals not 1975, but 1929 ... The sudden and shocking demise of major institutions like Lehman Brothers and Bear Stearns only reinforces the comparison to the earlier and even darker time."

Mr. Lauder is clearly worried over the political and social consequences of this crisis. He wants to reinforce the rule of plutocracy--government of the rich, and not merely for the rich. He wants someone who can be implicitly trusted to understand the needs of the top one-tenth of one percent of the population.

And Lauder speaks for his class. On the same day the *Times* printed an advertisement in the form of "An Open Letter" signed by 30 New York-based CEOs and their advisors, some of the very same names we have seen presiding over the financial collapse, including Lloyd Blankfein of Goldman Sachs, James Dimon of JP Morgan Chase and John Mack of Morgan Stanley. Calling for "continuity of leadership," these billionaires and multi-millionaires write that "today, all we

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have achieved is at risk ... we call upon the New York City Council to extend term limits in order to give New Yorkers the opportunity to vote for whomever they think can do the best job during these tough economic times, including our current Mayor."

The *New York Times* also weighed in last week, with an editorial titled, "The Limits of Term Limits." "It makes a lot of people uncomfortable to legislatively rewrite a law that voters have twice approved at the ballot box," the paper notes, "but we have concluded now that changing the law legislatively does not make us nearly as uncomfortable as keeping it."

For the right wing Mr. Lauder and the frightened liberals of the *Times* editorial board, the demagogic claim that term limits constituted some form of democratic control has now outlived its usefulness. Lauder wants the tampering to be just a temporary, one-time move until the current emergency passes. The City Council wants to permanently amend the rules to provide for three terms instead of two. The *Times* professes no agreement with term limits at all. But they are all agreed on legislative action to allow the current Mayor to remain in office.

In order to see how the Mayor has become, despite his own protestations, "indispensable" for the ruling elite, it is necessary to examine the role and record of his administration. Bloomberg, the eighth richest individual in the United States, with a fortune of some $20 billion, was elected to succeed Rudolph Giuliani after the September 11 attacks on the World Trade Center. He was called upon to continue the same fundamental policies that had produced a new Gilded Age of unprecedented social polarization in New York and throughout the country.

Bloomberg's task was to execute a shift in style if not in substance. His Wall Street credentials as the founder of the Bloomberg News empire, as well as his mild-mannered moderate persona, following the reactionary provocations of Giuliani, was credited with producing a new era of stability in the city. The ruling elite now convinced itself that it had achieved the best of both worlds--the continuing transfer of wealth to the plutocrats and their milieu, and political calm along with it.

The calm was only relative, however, and was based on Wall Street's financial house of cards that has now come crashing down. The financial bubble produced paper profits and tax revenues that enabled Bloomberg to distribute a few crumbs--very few--to working class neighborhoods in the city's outer boroughs. City workers received 17 percent raises over four years, barely even with the official (and vastly understated) rate of inflation.

Even so, Bloomberg's years in office have seen no improvement in homelessness and no decline in poverty. Low wage jobs have continued to multiply. The rate of health care coverage for the uninsured and the entire working class has worsened, and the ballyhooed mayoral control of the public schools has produced little except for the testing frenzy and the arbitrary and misleading grading of schools and teachers. At the same time, most prominently, but by no means solely in connection with the mass arrests at the time of the 2004 Republican Convention in New York, the Bloomberg administration has continued Giuliani's attacks on civil rights and liberties, even if a bit less noisily.

Even before the world-changing events of recent weeks, the establishment had been forced to call a halt to even the tiniest of concessions. Bloomberg's own net wealth has reportedly increased by $8.5 billion in the last year, but last January he called for budget cuts totaling nearly $1.5 billion over the next two years, including across-the-board cut of 5 percent for all city departments, while anticipating future budget deficits of more than $5 billion beginning in 2011.

Now the situation is worse--far worse. The establishment is hoping that somehow the billionaire Mayor will not be held responsible for the collapse of the system that has produced him and that he has so determinedly defended in his years in office.

It is not Bloomberg's strength or political genius that makes him attractive, however, as much as the weakness of the alternatives. There is simply no figure within the local Democratic Party, which still has a near-monopoly status in local as opposed to citywide offices, who has any significant base of support or credibility. A large section of the Democratic leadership has cast in its lot with Bloomberg. Those who have criticized his latest move as a "power grab" say absolutely nothing about policy differences, because they have none.

The Mayor has been built up as a kind of financial and political magician, but if he secures the third term he is looking for, he will be facing challenges far greater than any he has faced in the past.

It was Giuliani who crudely and unsuccessfully attempted to extend his term in office in 2001, claiming that it was too risky to hold elections after the September 11 attacks and that only he could lead the city in the new era of the "war on terrorism."

That Bloomberg, his supposedly more moderate successor, appears to have won the backing of the ruling elite for overturning the law in order to secure his own succession, is one more indication of how the economic crisis of capitalism is rendering even the limited forms of bourgeois democracy in America increasingly untenable.

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