



**Transcript of Governor Paterson's Statewide Television Address on the Economic Crisis
July 29, 2008**

My fellow New Yorkers: our State now faces increasingly harsh economic times.

When I travel across the State I see communities suffering. Everywhere I go I meet people who are losing their jobs and their homes.

I meet families who are forced to pay more for gasoline and for food while their paychecks stay the same. Next winter some of these families will have to choose between heating their homes and feeding their children.

The rising costs of health care mean they cannot afford to get sick. The rising costs of education mean that parents can no longer prepare for their children to be in the workforce.

The damage on Wall Street is affecting all of our communities, and its effects on New York State's finances have been devastating.

When I took office, I was apprised that the New York State budget deficit for next year was \$5 billion. I immediately ordered cuts to State spending.

But the situation has gotten worse. Tomorrow I will submit a budget plan that places our deficit for next year at \$6.4 billion. That is \$1.4 billion higher than it was just a few short months ago.

In the beginning of May, our budget director projected our New York State deficit over the next three years at \$21.5 billion. That was a record. But things have changed. That number has now erupted to \$26.2 billion, a staggering 22 percent increase in less than 90 days.

How could this happen? It's simple. Costs are rising steadily; revenues are dropping dramatically.

In June of 2007, the 16 banks that pay the most on taxes to their profits remitted \$173 million to our New York State treasury. This June, just a month ago, they sent us \$5 million—a 97 percent decrease.

Our economic woes are so severe that I wanted to talk to you personally this evening about where we stand.

The fact is we confront harsh times. Let me be honest: this situation will get worse before it gets better. But the time to act is now. We cannot waste any further opportunities. We can't wait

and hope this problem will resolve itself. If we do, we'll lose our opportunity to turn this situation around. These times call for action, and today I promise you: there will be action.

Today I am calling the Legislature back for an emergency economic session on Tuesday, August 19. My administration will confront the following issues: addressing the size of the State workforce, further cuts to agency spending and generating proposals for public-private partnerships for our State assets.

When I meet with the Legislature, we will work together to help New Yorkers cope with this crisis. We will continue working on a property tax to lighten the load for homeowners and we will find a way to curtail the rising costs of home heating this winter. I will do everything I can to make sure New York's families do not freeze when it gets cold.

My message to the Legislature is that next year's budget process starts now. New York's families are already making the tough choices. Every time you fill up a tank of gas or go to the supermarket you are learning to do more with less. New Yorkers are prioritizing spending every day. The lesser crowding of the New York State Thruway is an indication that too many of you have postponed holidays or cancelled your vacations.

Now your government is going to follow your lead. We are going to end the legislators' vacations and bring them back to Albany to re-prioritize the way we manage New York State's finances.

For too long we have done less with more and paid more for less. Now government will do what families have done when their incomes have fallen. We will cut spending. Government will learn to do more with less.

But I can't do it alone. We need all of your help. I'm asking for the State leaders in the public and private sector, in labor, those who serve in Washington, owners of businesses and others to join us in this great effort.

It is time for New York and other governments to cut up our credit cards. The era of buy now and pay later and later is over. The faster we address this crisis, the faster and stronger we will emerge from it. That is the path toward a better and more prosperous New York.

I'd like to thank the networks for extending me this opportunity and all of you for watching and listening this evening. Good night.

###