



## Shakedown City

**A** vast city squeezed into spaces that were laid out two centuries ago, a fast-moving but dense and dirty metropolis built on an island of narrow streets and tall buildings, Gotham was made up of innumerable bottlenecks, chokepoints, and cheek-by-jowl living that generated nearly endless opportunities for the mob and its unions to exact tribute. The New York minute is no cliché when you're trying to unload fish and every second that passes depreciates the value of your cargo.

New Yorkers are all too familiar with reform that paradoxically takes the form of new regulations, which in turn, provide new opportunities for corruption. In order to enforce the maze of often contradictory regulations, the city gives discretionary power to inspectors who can almost always find something "illegal." Faced with new vulnerabilities, even legitimate shopkeepers are forced to pay protection in the form of new bribes. "The crooks come in through the back door," a merchant complained to Giuliani, "the inspectors come in the front door, and it's all the same to me. I get robbed at both ends." The same could be said of the city's economy as a whole. The mob and extortionate taxes both raise the cost of living, reduce city revenues, and make economic life even more precarious than it has to be.<sup>1</sup>

If that sounds harsh, consider the words of Lieutenant Rayman Rahim, the commander of the Sanitation Department's enforcement police. He was one of ten members of the sanitation police indicted in the fall of 1993 by Manhattan District Attorney Robert Morgenthau for extorting up to \$10,000 a year from restaurants, shopkeepers and

street vendors. Lieutenant Rahim explained, "I used my summons book like a gun to get money."<sup>2</sup>

Rahim had plenty of company. Morgenthau found that "every major plumbing contract in Manhattan and the Bronx in the last decade involved kickbacks to union officials and mobsters." But then again almost every aspect of life was subject to a shakedown. In the parks, city employees were requiring "hard cash for softball permits" to play on the public diamonds.<sup>3</sup>

As mayor, Giuliani found that three-quarters of the city's elevator inspectors were shaking down building contractors with threats of citing minor violations, while taking bribes to overlook major violations. They were joined by the more than half of taxi safety inspectors who were taking bribes to overlook defective cabs. About the same time, Morgenthau had found that, in the private sector, a third of Manhattan apartment managers were taking tens of thousands of dollars in kickbacks from building contractors.<sup>4</sup>

Time as well as money could be extracted. It took sixty-four bureaucratic steps to obtain the necessary permits to build a house. You could do it yourself and spend weeks. Instead builders, and even ordinary citizens looking to do upgrades, hired one of the city's 1,600 expeditors (or "code consultants," as they liked to call themselves) to wait on the lines and serve as fixers who knew how to cut through the red tape. Once construction began on a project, contractors sometimes found it prudent to pay off hustlers threatening to disrupt the work site in the name of minority rights.<sup>5</sup>

The schools were a cesspool unto themselves. At Brooklyn's once-celebrated Erasmus High, the head custodian, who in 1993 enjoyed a base salary of \$65,467 plus numerous perks, could rarely be found at the school. He had "wheeled his private 30-foot boat on to the school's athletic field and ordered three custodians to repair it during school hours. The boat stayed there for three months." The same custodian was later filmed by *60 Minutes* sailing his repaired 35-foot yacht off Sheepshead Bay.

The New York custodians were obligated to do very little. They were independent contractors who could hire friends and relatives to work for them. They could even use Board of Education money to buy themselves jeeps, and the civil service protected them. While they earned considerably more than teachers or cops, custodians were required to sweep the cafeteria floor only once a week. By comparison, the common room at Rikers Island jail was by court order required to be mopped two times a day. A neighborhood or civic

group wanting to use school facilities, which were closed down daily at 3 o'clock and on weekends, had to pay the custodian directly. Even school teams had to pay for the use of a pool, gym or field. This was worker's control with a vengeance.

While liberals, with the support of the public, were constantly calling for more school funding—the city was spending a quarter of its budget, \$8 billion a year, on education—scam artists were carting away the loot. Rancid food, sinking buildings, sweetheart leases, slush fund supplier kickbacks, phantom purchases, warehouse theft, phony trips, mob-connected bus drivers with the highest pay in the U.S.—these were the order of the day.

The mayor's disdain for the Board of Education was regularly confirmed by the inquiries of Ed Stancik, the relentless Special Investigator for Schools who exposed everything from coke-sniffing custodians to principals who faked their attendance numbers to teachers who helped their students cheat on standardized tests. In one notorious case, Virginia Noville, a Brooklyn principal known as the "the cookie monster" because she sold junk food at high prices to her inner-city students, was caught in a sting. Noville met with Community School Board member Edward Cain in his Cadillac parked near Katz's Delicatessen on the Lower East Side. Noville took \$2,000 from her purse and as she handed it to Cain laughed about how the wad was "the resume for the job." Cain, who was wired, responded, "You just bought yourself a principalship."<sup>6</sup>

But although individual miscreants were periodically carted off to jail, the organizational structures that had given rise to their crimes were never changed. That's because, while the mayor had the obligation to fund the schools, the responsibility for running them was left in the hands of a Board of Education whose members were part of the political culture that produced the corruption in the first place.

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Giuliani the mayor wanted to finish what Giuliani the prosecutor had begun: reduce the mob tax to help revive the economy. But he was constantly running into entrenched arrangements, institutional roadblocks and cynicism masked as superior wisdom. Murray Kempton of *Newsday* spoke for the city's world-weary insiders when he worried aloud that "to be in business is generally to find out that reformers cost you more than extortioners."<sup>7</sup>

The first major anti-corruption effort was the fight in 1995 and

1996 to take the Fulton Fish Market back from the mob. You didn't have to be a cynic to doubt the chances for success. The lower Manhattan fish market, where famed Democratic Party politician Al Smith had worked as a young man, had been controlled by a branch of the Genovese crime family since the 1920s. The career lawyers in the Corporation Counsel's Office noted that not even the great La Guardia, a heroic racket-buster, had tried to tackle the problems at the market. And while some mayors such as Ed Koch made noises about the market, most, like David Dinkins, chose to ignore it. For their part, prosecutors, particularly Manhattan District Attorney Robert Morgenthau, had initiated a number of successful cases, but when one set of wise guys was hauled off, another quickly replaced them.

The combination of a highly perishable commodity whose value declines literally with each tick of the clock and a limited number of loading docks made the Fulton Fish Market an ideal location for mob influence. The numerous chokepoints at the market created a long chain of shakedowns. The first came when the truckers who arrived at 3 a.m. from points ranging from Maine to Louisiana paid off to make sure they got their rigs loaded. The last was the tribute paid to the crews who promised to "protect" the retailers' vans and purchases while they went about acquiring fish for their stores. One Brooklyn restaurant owner who failed to grasp the rules was beaten and his car destroyed for parking in the wrong spot. When in 1993 Councilman Ken Fisher brought the restaurateur before the council, the Fulton fish thugs were there to glower at the witness. In a memorable hearing, with the FBI quietly standing watch, he had to testify with a bag over his head.<sup>8</sup>

Money for the mob meant higher prices for consumers and lost revenues for the city. The fish market, which employed 1,000 workers, was losing market share to other cities. Councilman Ken Fisher noted during city council hearings in 1995 that, although it was still the largest market in the U.S., it was doing only \$800 million in sales compared to nearly twice that fifteen years earlier. A North Carolina seafood supplier explained that he stopped using the market after the mob-connected wholesalers pulled a gun on him on one occasion and stole \$40,000 on another. The lost business was costing the city \$3 million a year in rent and taxes.<sup>9</sup>

In March 1995 Giuliani, working with his chief of staff Randy Mastro, who had tackled the fish market as a prosecutor, unveiled a plan to regulate the market in order to free it. The city would issue

market licenses only to firms free of mob influence. Prospective merchants and their employees would have to be fingerprinted and subjected to background checks by the Department of Investigation.

When Giuliani brought his plan before the city council, he received strong support from Ken Fisher and Peter Vallone, but there was opposition on several fronts. The Committee to Preserve the Fulton Fish Market, a mob front group, warned that reform would destroy the wholesale fish business. At the same time, Giuliani critics Ronnie Eldridge of the Upper West Side and Steve DiBrienza of Brooklyn loudly objected to fingerprinting as a violation of civil liberties. DiBrienza, the tribune of entrenched interests, also took up the accusation peddled by the Fulton insiders that the Giuliani-Vallone reform efforts were anti-Italian.

Some of the tenants at the market tried to work with the reforms. The buying cooperative in the Old Market Building wanted out from under the mob. Two days after the council hearings, arsonists turned off the sprinkler system, poured gasoline in the hallways and torched their building. That turned the tide in the council, which passed the reforms by an overwhelming majority.

Randy Mastro, who like the mayor was capable of working effectively for eighteen hours a day, was subject to a series of credible mob threats and had to be placed under police protection. But the man who faced even greater danger was the Commissioner of Business Services, Rudy Washington. While Mastro was directing the strategy, the low-key Washington, who has been described by another member of the Giuliani team as "probably the gutsiest guy in an administration of very tough guys," was on the ground at the market directly facing the wrath of the Genovese crime family's friends and employees.

At the Fulton Fish Market, Washington, accompanied by Deputy Chief Wilbur Chapman of the NYPD and about sixty young, mostly rookie cops, and a few lawyers arrived to arrest twenty-three mob-connected members of the United Seafood Workers, Smoked Fisher and Cannery Union. Washington, anticipating some trouble, arrived wearing a bulletproof vest, but even so he was unprepared for what followed. They were greeted by an eruption as the loaders, their fish hooks in hand, surrounded him and his contingent chanting, "We're going to get you niggers," referring to Washington and Chapman.

Rudy Washington contacted Randy Mastro by cell phone and told him "I'm afraid someone is going to die here tonight." The han-

dlers smashed truck windows, shut down the loaders, and for the moment took control of the situation. Literally backed up against pillars, Washington and Chapman, a veteran of the 1977 blackout and Crown Heights riots, unholstered their guns. But when the fish handlers saw "the fear in the eyes of the young cops, and the guns in the hands of Washington and Chapman, they opened a path to allow the trapped cops to leave."

At 8 a.m. the following morning, Washington and Mastro, fresh from a night of turmoil, went to City Hall for a press conference with the mayor. An angry Giuliani threatened "to shut the market down altogether," and then "reconstitute the whole operation" with a new crew of people. "I was never prouder of the mayor that than at that moment," said Mastro.<sup>10</sup>

That night Police Commissioner Bratton gave Chapman the men he needed to take back the market and arrest the twenty-three men wanted on outstanding criminal warrants. For the next month, Washington, accompanied by rotating shifts of two hundred cops, spent sixteen hours a day in the hostile market dealing with a series of hit-and-run work stoppages, job actions and minor acts of sabotage. He received death threats and his house had to be guarded round the clock. It was only when Washington promised to make good on the mayor's threat to shut the market down that owners and union leaders stepped forward at a dramatic 3 a.m. meeting on the wharves of the Staten Island Ferry Terminal to broker a peace.

It wasn't the end of the trouble. But it was the beginning of the end of Cosa Nostra control over the market. The administration and its allies had achieved a "decisive breakthrough." With Giuliani, said an admirer, "the intractable was no longer the impossible." By 1998 the cost of fish had declined by 13 percent and the volume of trade had grown by 14 percent. The licensing arrangement used at the Fulton Fish Market then became the model to reform the city's other markets.<sup>11</sup>

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With the Fulton Fish cleanup accomplished, Giuliani brought together some of the city's real estate magnates to talk about breaking mob control of trash hauling. Giuliani got a cool reception. They told him that it was a great idea in principle but that it couldn't be done. The major property owners represented by the Real Estate Board of New York argued that any attempt to change the old

arrangements would, as with race relations, only make matters worse. Rhetoric aside, they had cut their own deals with the carters so that they thought it would be best to leave things as they were. But the *modus vivendi* they had achieved with the mob left smaller businesses out in the cold.

The city picked up residential trash. But for businesses, retail shops, colleges and hospitals, trash hauling was controlled by a cartel created by the Lucchese and Gambino crime families. The cost of the mob tax was considerable, on average inflating the cost of garbage collection by 40 percent. New York was the only major city in which none of the major national trash hauling companies such as Brown & Ferris Industries were allowed to operate. The mob cartel divided up the territory among its members and set the rates. If a customer wanted to change carters he had to come before a "court" presided over by Mattie "The Horse" Ianello, who might grant a "waiver" but only at the price of an exorbitant payoff.

The U.S. Attorney for the Eastern District of New York, Andrew Maloney, had brought a successful RICO (racketeering suit) against the cartel in 1989. But while Maloney's actions wounded the cartel, they didn't take it down. In the early 1990s, Dinkins' Consumer Affairs Commissioner Mark Green (a future mayoral candidate) and his close aide Rich Schrader had tried to break the cartel by bringing Brown & Ferris into New York. When they agreed to come a company spokesman said, "We're sending a message to Cosa Nostra." The mob, through its front organization, the Council of Trade Waste Associations, responded with lawsuits and TV ads mocking Brown & Ferris as out-of-towners. The cartel also sent a note to Brown & Ferris tucked inside the severed head of a German shepherd. When a gutsy local firm, Chambers Paper Fibres, tried to take customers away from the cartel, their drivers were beaten and one of their trucks was destroyed. That left Brown & Ferris without customers.\*

As with the Fulton Fish Market, taking down the garbage cartel was a team effort. While federal prosecutors and District Attorney Morgenthau continued to apply pressure with new RICO

\*"What Mark and I wanted to do," explained Schrader, "was more than civil and criminal enforcement." Those were essential, he said, but "we wanted to do something more fundamental, we wanted to change the rules of the game, we wanted to reduce costs by creating a competitive market for trash hauling."

cases, the Giuliani team picked up where Green and Schrader had left off.

Unlike Dinkins, Giuliani used the power given to the mayor by the city charter. He came before the city council to propose a licensing arrangement similar to the one that had been set up at the Fulton Fish Market. The powerful Real Estate Board was opposed, and the carters argued through their well-connected lobbyists that the reforms would drive mom and pop trash haulers out of business. The acrimony became so intense that council member Fisher, who with foresight argued that honest carters had nothing to worry about, had to be afforded police protection for his home and office.

Nonetheless, the administration won council support for the creation of what came to be called the Trade Waste Commission (TWC). Deputy Mayor Randy Mastro was made the chair. It was given the power to establish a free market for trash hauling. The TWC gave 10,000 New York businesses the right to cancel their exist garbage contracts and negotiate with any firm willing to compete. The mob, noted Schrader, responded with "arguments that could have come from a command and control Soviet economist." The cartel talked about "the danger of chaos" if it weren't kept in control and warned that "profit making" would destroy the industry.

Mastro soon set out a flyer bearing the seal of the City of New York that began, NOTICE FROM MAYOR RUDY GIULIANI AND THE NEW YORK CITY TRADE WASTE COMMISSION. "THIS MAY BE YOUR INDEPENDENCE DAY.... You will now have freedom of choice and the right to a fair and honest price. EXERCISE YOUR RIGHTS." They did. By June 1996, big companies were abandoning the cartel. Garbage-hauling costs for smaller businesses dropped by 25 percent and the price for large buildings dropped by as much as 40 percent. The \$1.5 billion paid for hauling trash was reduced to \$900 million. "For business," exulted Mastro, "it was the biggest tax cut in the history of the city."<sup>12</sup>

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As long as Cuomo was governor, Giuliani said little about the state-run but mobbed-up Jacob Javits Convention Center, located south of Madison Square Garden on the city's far west side. The Center, quipped a high-ranking tourist official who insisted on anonymity, "doesn't have a future in the convention business. It's never been in the convention business."<sup>13</sup>

Built with its back to the water, inaccessible by subway, far off the route of most cabs, the Javits Center was problematic from the start. Constructed two years behind schedule after a bid-rigging scandal and \$111 million over budget, it was created and run as a jobs program for bond underwriters, consultants, vendors, and mob-connected unions. The Javits Center, named after the former senator, came into operation under Governor Cuomo who gave it a marvelously perverse organizational framework. The business side of the operation was run by civil servants hemmed in by onerous rules and with no incentive to compete for business. The actual work of the center was given over to private unions, unrestrained either by the state Taylor Law forbidding strikes by public-sector unions or by state ethics laws.

Even in the city of scams, the Javits Center work rules, which required three workers for the job of one, stood out. Worse yet, the three under-worked guys often insisted on being further overpaid by shaking down the exhibitors for bribes at every point since the rules required that even the simplest tasks had to be done by the Javits Center's mob-connected unions.

Rob Rosenfeld, who sold technical support services, came from Chicago for a computer show. He was stunned when he wasn't allowed to plug in his own computers; that required a licensed electrician who in turn required a bribe. He was further taken aback to find that even after he paid off to get simple work done, like setting up his tables, he'd often have to pay again. Facing tough competition in the computer field, and angered by one shakedown too many, he refused to pay yet another bribe and was threatened. When Rosenfeld in turn threatened to punch out the next guy who tried to extract a payoff, Javits officials stepped in and gave him a little peace. But he never returned to the Javits Center. "In Chicago," he explained, "you give the guy an extra twenty bucks and they leave you alone."<sup>14</sup>

Giuliani and Mastro initially led the rhetorical charge to reform the Javits Center, which was running a \$1.6 million deficit in 1995. Structurally, the problems were similar to those of the Fulton Fish Market. "We convict and convict," said James Kallstrom of the FBI, "but previous officials never changed the rules and regulations...that allow these rackets to continue."<sup>15</sup>

But Giuliani didn't have to take up these cudgels himself. Pataki stepped in and appointed a new manager, Robert Boyle, to overhaul the Center. Operating along reform lines similar to those

imposed at the Fulton Fish Market, Boyle took over licensing who was allowed to work at the Center, and cleared out most of the mob in the process. He was fought by Norman Siegel of the New York Civil Liberties Union who saw the licensing as a violation of "freedom of association," and by Assembly Speaker Sheldon Silver, who had political ties to the mob-connected Carpenters' Union. But Boyle and Pataki prevailed and exhibition costs dropped from 10 to 40 percent. By 1998, the Center was actually turning a \$4 million profit. Looking back on the conflict, Bruce Bender, Speaker Vallone's chief of staff, summed it up: "You have to give Rudy credit, he took on the people you don't take on and he won."<sup>16</sup>

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The biggest scams in New York are entirely legal. The Port Authority of New York and New Jersey and the Metropolitan Transportation Authority, established in 1921 and 1968 respectively, were both intended to take the politics out of administration by turning over important government functions to impartial professionals who were given considerable autonomy and political insulation. But over time they produced the worst of both worlds, becoming thoroughly politicized and largely unaccountable.

Giuliani's predecessors preferred to look the other way. They found these vast Authorities with their dense bureaucratic thickets of vice-presidents and semi-autonomous offices not only a welcome barrier to accountability but also a fine source for white-collar patronage and potential cash cows to boot. Governor Cuomo, noted the *Times*, plundered Port Authority resources to balance his last budget by getting the Authority to "buy" a parking lot at Aqueduct Raceway from the state.<sup>17</sup>

Liberals, observed journalist Michael Powell, rightly railed about the unaccountable and often incompetent authorities, but did little to remedy the situation. But Giuliani, noted Ray Harding, the boss of the Liberal Party, was different. "Rudy is not looking for an independent authority to insulate him from responsibility, he wants to cut out all the circuit breakers that clever politicians put between themselves and the voters."<sup>18</sup>

In the face of the ongoing budget crunch, both Mayor Giuliani and Speaker Vallone looked to the bloated Port Authority for increased revenues. The Port Authority, modeled on the semi-autonomous agency running the London docks, was created at the

end of World War I largely to build a rail tunnel connecting the city with the mainland. But thanks in part to the rancorous competition between the railroads, the tunnel was never built.

In its glory years, the Port Authority embodied the Progressive-era ideal of objective expertise. From the early 1930s to the late 1950s, the Port Authority did an impressive job of constructing the Lincoln Tunnel and the Outerbridge Crossing, Goethals, George Washington and Verrazano bridges linking New York to New Jersey by car and truck.

But over time, it evolved into a vast self-serving bureaucracy only half-jokingly referred to as "the sixth mafia family of New York." The Authority scanted its transportation mission to dabble in fishports, airports, teleports, and resource recovery centers as well as real estate. It used the billions collected from tolls to acquire a considerable art collection without ever building the tunnel for which it was chartered.

But what most concerned Giuliani and Vallone was the Port Authority's control of the city's airports and the World Trade Center, the Authority's most important real-estate venture. Both were providing the city with a fraction of the revenues that might be expected. The Port Authority had been systematically mismanaging the New York airports for thirty years while building up Newark International Airport. Dirty, outdated and subject to mob pilfering of cargo flights, LaGuardia was ranked thirty-first and Kennedy thirty-fifth amongst the country's top thirty-six airports.

In late 1995, Giuliani, squeezed by the ongoing budget crunch, filed an arbitration suit against the Port Authority alleging that the Port Authority had cheated the city out of \$540 million in lease payments for JFK and LaGuardia. Morally and financially Giuliani was right but the suit went nowhere since the arrangements, while unfair, were entirely legal, the product, noted former Port Authority executive director George Marlin, of a bad agreement the city had entered into in 1947.

More promising, however, was the effort to receive a fair shake from the Port Authority-owned World Trade Center. In the late 1950s, the city, under pressure from Governor Rockefeller and his brother David Rockefeller of the Chase Manhattan Bank, co-operated with the Port Authority to make Port Elizabeth in New Jersey the primary harbor for the region while New York got that twin-towered white elephant, the World Trade Center, in return.

Critics said the Twin Towers should have been named David and Nelson after the Rockefeller brothers who devised the scheme to build the Towers as a way of rescuing their own real estate investments in depressed lower Manhattan. The trouble was the Towers came on line in the wake of the Lindsay-induced loss of 570,000 jobs between 1969 and 1974. By putting nine million more square feet into an already dismal real estate market, the World Trade Center helped to push the vacancy rate to 21 percent, the highest since the Great Depression.

Even after a long list of state agencies was moved into a building supposedly built to encourage trade, the Towers were only 85 percent occupied in 1980. They filled up during the boom of the 1980s but in the early 1990s, troubled by organized crime shake-downs, it had a thirteen point plus vacancy rate at a time when there were 150 million square feet of empty offices across the metro area—enough to fill fifteen World Trade Centers.

Pataki's 1995 arrival in the governor's mansion offered the city some hope. He wanted the Port Authority to get out of real estate and once again focus on its core transportation mission. He hoped to privatize the World Trade Center so that the building could go on the city and state tax rolls. But Pataki and Giuliani were blocked by objections from New Jersey, which made out quite well from the old arrangements.\*

The Metropolitan Transportation Authority (MTA) was another of Rocky's follies. Governor Rockefeller created it in 1968 in order to seize control of the toll revenues from seven bridges and the Brooklyn Battery and Queens-Midtown tunnels from the city. Ever since then, the city has been subsidizing the metro area's poorly run MTA commuter rail lines even as Gotham's subways were allowed to deteriorate during the 1970s.

In his 1993 State of the City speech Council Speaker Peter Val-lone argued, "the MTA doesn't work.... Let's break it up." Giuliani and John Dyson, his Deputy Mayor for Economic Development,

\*It wasn't until 2001 that the buildings of the World Trade Center were leased to Larry Silverstein, a private developer. Giuliani also achieved a small victory regarding the Port Authority's poor management of the city's cruise line docks which were losing \$3.5 million dollars a year. Using his legal acumen, Giuliani pushed the Port Authority aside and brought in a private cruise management company that agreed to absorb any deficits and share the profits with the city. The upshot was a 28 percent increase in passengers and a small revenue stream for the city.

soon came to a similar conclusion. Describing the MTA budget as "a piece of junk" lacking "reasonable accountability," Giuliani fought it over many issues: fare hikes; who would subsidize student subway passes; workfare; the size of the vast MTA bureaucracy (with over 122 \$100,000 plus employees); the MTA's and Port Authority's failure for fifty years to create rail access to Kennedy and LaGuardia; and his proposed police merger.<sup>19</sup>

Mayors starting with Koch had proposed merging the city's three police departments—the NYPD, the MTA-run Transit Police (where Bratton had initially made his mark) and the Housing Authority Police, which worked the public housing projects. "If they [the Giuliani administration] had been long-time New York politicians," explained Bruce Bender, "they would have never been able to achieve the police merger. They would have known that Koch and Dinkins tried it and failed, they would have known it couldn't be done."

The reasons for the merger were always the same, namely that it made no sense to have three duplicative bureaucracies that didn't always cooperate with each other. In his 1995 State of the City speech Giuliani added an additional reason: "having three separate departments impedes police investigations, because most criminals don't commit crimes exclusively on subways or in public housing."

It seemed like a compelling case, but opponents argued that the subways and the housing projects would be short changed. And the merger stepped on numerous institutional toes. Some of the Transit and Housing police unions objected ferociously. As always there was a bevy of lawsuits.

The biggest obstacle was the MTA. It refused to give up any part of its fiefdom. Here budget director Abe Lackman provided the key insight. Lackman noted that the city was paying a significant part of the salaries for the MTA's transit cops. Giuliani threatened to withdraw the money. "If the MTA wants its own force, let them pay for it," he snapped at Assemblywoman and MTA apologist Catherine Nolan. "Why should I write a \$300 million check when they have executive pay and perks I couldn't tolerate?" The consolidation went through.<sup>20</sup>

In Albany, the union hirees of the Republican-controlled state senate voted fifty-four to one to undo the merger, but it was merely a gesture of obeisance. The merger would not be reversed. Looking back, Tony Coles saw the common denominator in many of

Giuliani's achievements. "He got things done," said Coles, "not only because of his fierce determination, but because he understood things better than the guys on the other side of the table."



## Rudy on the Ropes

**T**he mayor's lower lip began to curl, his eyes widened, and you could detect a faint smile beginning to spread across his face. The telltale signs were all there: he was about to tee off at the reporters peppering him with question about his feuds with former mayor Ed Koch and Tom Ognibene, the leader of the tiny rump of Republicans on the city council. Relishing the combat, variously annoyed and amused by the reporters' queries, Giuliani snapped, "Maybe I can make decisions they can't make. Maybe I don't spend my time worrying about getting re-elected." He mimicked a cowardly whine: "Will this political boss support me? Will..."

Fellow Republican Ognibene was offended. "The problem is," he exclaimed, Rudy's "got the personality of a lunatic bulldog, and slowly that's overshadowing everything else." Loneliness doesn't "appear to trouble Mr. Giuliani," noted journalist Michael Powell. Like his operatic heroes, he "never seems happier than when the bodies of foes are piling higher."<sup>1</sup>

From the spring of 1995, his second year in office, until the fall of 1996, Rudy was on the ropes, battered by both the city's ongoing fiscal crisis and the fallout from his take-charge approach to the city's failures.

A headline in the *Daily News* read CITY NEARING FISCAL ABYSS.

After two years in office Giuliani was still trying to fight his way out of wreckage he had inherited.

The city was so tight for cash that City Hall was delaying payments to companies it owed money to, while temporarily suspending contributions to city employee pension funds and offering discounts



to businesses that paid their taxes early. Giuliani even tried to sell one of Gotham's treasures, its upstate reservoirs. But fortunately this ill-conceived move was blocked, over Giuliani's objections, by City Comptroller Alan Hevesi.

The fiscal monitors at the Financial Control Board and the bond-rating agencies were disturbed by both mounting city debt, which was three and half times greater than other large cities, and the mayor's reliance on one-shot revenues like the money from the sale of the city-owned television station. They warned of disaster ahead. In Albany, Joe Bruno, the Republican majority leader of the state senate, spoke of the coming fiscal chaos and warned that a takeover by the Financial Control Board was very possible.

Unable to borrow much or quickly cut much more, and unwilling to raise taxes on the 6 percent of the city residents who already paid almost 50 percent of the taxes, Giuliani was boxed in. He was under attack from both left and right. The liberal paternalists of the Citizens Budget Commission took to the op-ed pages to criticize him for not cutting labor costs far more sharply so as to preserve social spending and balance the budget. On the right, Giuliani's fiscal skills were being written off in the pages of the *New York Post* and *Commentary* on the grounds that despite cutting 20,000 city jobs he had been unable to reduce the city's labor costs. In *Commentary*, conservative economist Irwin Stelzer argued that Giuliani lacked the "nerve" to reverse the city's decline, while his limited budget cuts had "led both his popularity and his bond ratings to plummet just a notch above Marion Barry's D.C."<sup>2</sup>

For many, particularly those who benefited from the existing arrangements, slow decline was far preferable to a risky restructuring. Faced with an ongoing budget crisis, Giuliani's continued spending cuts, combined with all the enemies he had made in fighting the fiefdoms, made him, his accomplishments notwithstanding, an unpopular mayor who was losing ground with every major group in the city.

In 1994 the city suffered the sharpest drop in tax collections since 1946, but still there was broad public agreement that Giuliani's budget cuts, particularly for the schools, had gone too far. His standing dropped ten points among the outer-boro Catholics and Jews who were his core supporters, and twenty points among Latinos. He was so disliked by African-Americans that even with the cut in crime disproportionately benefiting minority areas, they believed the city had been safer under Dinkins. Giuliani's only gains were

among well-to-do Manhattanites who had generally voted for Dinkins. Depending on the polls, between 44 and 62 percent of the city disapproved of the way he was conducting his mayoralty.

The relentless assault on the established arrangements at a time of budget cutting exposed him to counter-attacks from virtually every direction. Giuliani was accused of being a "control freak, the slasher of budgets, the taut face denouncing the vile stupidity of his enemies on television every night," who persistently disparaged and publicly humiliated those who disagreed with him. Thin-skinned and easily given to rages, he couldn't accept any criticism and he couldn't stand it when his commissioners got the headlines. Those, noted journalist John Tierney, were the charges leveled at La Guardia sixty years earlier, but they fit Giuliani just as well.<sup>3</sup>

The combative style of the immoderate centrist often made it hard to separate policy from personality. "People didn't elect me to be a conciliator," the mayor retorted. "If they just wanted a nice guy, they would have stayed with Dinkins. They wanted someone who was going to change this place. How do you expect me to change it if I don't fight with somebody? You don't change ingrained human behavior without confrontation, turmoil, anger."<sup>4</sup>

The intense passions Giuliani evoked were on display at his monthly town hall meetings when he brought his entire cabinet into a neighborhood for an extended question and answer session. In white outer-boro neighborhoods he was generally greeted with cries of "ROO-DEE, ROO-DEE." But even among his supporters there were sharp questions about the impact of his budget cuts. On Manhattan's liberal Upper West Side, he faced a healthy chorus of boos when he tried to explain his budget in light of the city's near bankruptcy. "Now, you owe it to me to listen to my answers," he responded. "You may disagree with it, but you've got to listen to the answers. Shouting and screaming is not the way for intelligent people to talk to each other." But when the boos and shouting didn't subside and he was unable to speak, he simply said "Good Night" and left after less than an hour.

In African-American Bedford Stuyvesent, where the local activists were lying in wait, he was greeted with shouts of "He's not *our* Mayor!" One woman waved a sign reading, "Ghouliani Is a Mark Fuhrman in Mayor's Clothing." When his criticism of school failure was met by more hostile shouts, he cracked back, "If you're happy with them [the schools], then go ahead and leave them the way they are."<sup>5</sup>

His relationship with the press was just as contentious. In October 1995, Yasser Arafat arrived in New York for a fiftieth anniversary party for the United Nations. In the midst of the Oslo peace process, Arafat was, for the time being, seen as more of a statesman than a terrorist. But for Giuliani, who as U.S. Attorney had investigated the murder of the retired New York Jewish businessman Leon Klinghoffer at the hands of Arafat's thugs, the Palestinian leader remained a man with American blood on his hands. When Arafat showed up uninvited to a concert at Lincoln Center's Avery Fisher Hall, the Mayor had him unceremoniously ejected. This produced howls from the State Department and the press as well as Ed Koch, who complained, "Giuliani has behavioral problems dealing with other people." Giuliani refused to back off. "My only regret," he told an aide, "was that I didn't throw Arafat out myself."<sup>6</sup>

When it came time to face press question about Arafat in the City Hall's Blue Room, Giuliani was primed. "It's like going into the arena," Giuliani says. "I look forward to it."

"Some people," a reporter says, "think that if the party is financed by public money, then you have no right to exclude people."

"Well," Giuliani replied, "some people think that, because you say that, but you're wrong."

"Why?"

"Why? Because you don't bother to check your facts, which is a very irresponsible thing to do."

"I'm asking you the—"

"Get your facts right in the premise of your question."

"I'm asking you to get the facts."

"No, you're not," Giuliani says, glaring at the reporter. "You asked the question, 'Some people think that'—the fact is, it is not funded by public dollars. The fact is that party is funded by private dollars."<sup>7</sup>

Giuliani and the press often spoke past each other. "I'm very different than what they're used to," Giuliani explained. "I'm the first Republican mayor in a generation and a half and only the third or fourth in this century. Many of the people in the press have a distrust of the Republican Party. Some of them have a hard time overcoming that."<sup>8</sup>

Beyond the confines of party identification, journalists shaped by Gotham's long liberal status quo were often genuinely mystified by what Giuliani was up to. The best of them acknowledged the failings of the Dinkins' years and struggled to be objective. A few even

came to change their views on specific issues. But in general they were puzzled if not openly hostile to Giulinaï and his staff.

"New York's mayors," explained *Times* columnist Joyce Purnick, "have always played by unwritten rules that demanded they get along with the leading players in government," including the city-funded interest groups. But the mayor made it clear that he was playing by a different set of rules. And to make matters more complicated, Giuliani's wrath could be directed not only at those richly deserving of his anger, but also, as in the case of his attempt to sell the city's water supply, against legitimate criticism as well.<sup>9</sup>

When the press corps got hot under the collar, Giuliani would question their intelligence, repeat his points about self-serving bureaucracies, or simply leave the Green Room, their questions hanging unanswered. But Giuliani's press secretary and right hand gal, Cristyne Lategano, young, intensely loyal and relentlessly hard-working, wasn't so lucky. The administration's aim, as one aide admitted to me, was "to obfuscate as best we can." It was left to Lategano to engage in the stonewalling. She became something of a piñata for the press, who in its frustration began to imagine that she was a power in her own right. Because she spent so much time with the mayor, never-substantiated rumors suggested that there was a love affair between them. But she later commented, "You're only as powerful as people allow you to be, or as much as they think you are. I was just the press gal, that's all." She was right; the mayor was calling all the shots.<sup>10</sup>

To make his insistence on controlling the message from City Hall perfectly clear, in February 1995 Giuliani fired the chief press spokesperson for five city agencies and thirty-six lower-ranking press aides on the same day. The dismissal of John Miller, Police Commissioner Bratton's highly respected personal friend, drew the most attention.

While the civilian mayor feuded with reporters, Bratton was beloved by the press as a great guy who made for good copy. The commissioner, along with the flamboyant Detective Jack Maple and their pals, were regulars at Elaine's, a lively celebrity-studded Upper East Side bar and restaurant. The ostensible reason for the firing was the high-living life-style Miller shared with Bratton. Lategano later contended that "Public Relations were put before any kind of substance. When you put glamour over fighting crime, it leads to serious problems."<sup>11</sup>

The Bratton and Giuliani crews rubbed each other the wrong

way. "The Bratton gang—cool dudes that they are," as Joe Klein of the *New Yorker* put it, saw Giuliani as "the sort of kid who never made it to school with his lunch." Miller responded to his firing: "Now loyalty is important.... I'm loyal to the mayor, I'm loyal to the police commissioner...but there were loyal Nazis too." From that moment on, it was clear that Bratton's days were numbered.<sup>12</sup>

The roots of Giuliani's problems with the press were far more than a matter of style. They went to the very nature of his administration. David Seifman, the *New York Post's* City Hall bureau chief, got it right when he said, "They run the place like the U.S. Attorney's office" working on a mafia case. That meant that they were loath to release public documents that should have been readily available. And, contrary to the customary practice, the mayor forbade his commissioners from talking directly with the press. The message would at all times be controlled by City Hall. The reasoning was that, if, like prosecutors, you were going to take down the bad guys, then you had to work as a team. Teamwork, as with the Mayor's beloved Yankees, meant that individuals had to subordinate their personal or agency agendas to the larger effort. Giuliani prized energy and intelligence, but just as important was loyalty, which he described as "the vital virtue." Rivalries like the one between chief of staff Randy Mastro and chief labor negotiator Randy Levine were unavoidable, but they were kept in check and largely out of the press.

There was vigorous internal debate, and Giuliani was sometimes convinced to change his stance. But once a decision had been made, he expected, as Tony Coles put it, "all oars into the water." Giuliani didn't take vacations, barely slept and conducted himself as a lawyer/soldier and expected the rest of the administration to do likewise. Bernard Kerik, who later became police commissioner, compared entering Giuliani's inner circle to becoming "a made man in a mafia family."<sup>13</sup>

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Giuliani's tense relationship with the press repeatedly came back to bedevil him. When he forced both Schools Chancellor Cortines and Police Commissioner Bratton to resign, the press had ample opportunity to express its resentments. In the words of a council member who didn't want to be quoted by name, "Anyone in the media Rudy ticked-off used the mayor's fights with Cortines and Bratton to get in some blows."

Giuliani and Cortines had seen eye to eye on some educational issues. Although at odds over how to respond to school crime, both men wanted the schools to implant conventional middle-class values. This enraged Dinkins loyalists. Dinkins' Human Rights Commissioner had attacked Cortines as inauthentic because he didn't speak enough Spanish. Cortines was "outed" as gay not by conservatives, but by the radical gay group ACT UP, which was angered by his seemingly conservative values. When Vergie Muhammed, a controversial principal sporting a Columbia University Ph.D., answered charges about stolen textbooks at her school with the comment, "There ain't no missing books and no books has been lost," Cortines was outraged. Her grammar, he said, was "unbelievable." When a reporter contacted her about Cortines' comment, she replied, "I'm too tired to curse you out."<sup>14</sup>

Giuliani's supporters were relentless in their criticism of the administrative bloat in the schools. "While they don't prepare kids for middle-class jobs," quipped an angry critic of the public schools, "the schools do provide middle-class union jobs with a ratio of one administrator for every 2.4 teachers not including support staff."<sup>15</sup>

A year into his job, Cortines came around to acknowledging that community school boards were "patronage mills" and admitted that the system for repairing the schools was broken beyond repair. He took to wondering out loud why an \$8 billion system was still using textbooks that described the Empire State Building as the tallest in the world. "The city's schools are so troubled," he told *Newsday*, that "Jesus Christ couldn't remake this school system in one year, two years or three years."<sup>16</sup>

But Giuliani didn't have two or three years to deal with the city's budget deficit. Despite some areas of agreement, the fiscal pressures on Giuliani made his relationship with Cortines untenable. Their differences over the budget were so overwhelming, explained Giuliani spokeswoman Cristyne Lategano, that "it's hard to pay any attention to our areas of agreement." Time and again Cortines was unable to seize control of the Board of Education's spending machine. When, under pressure from the mayor, Cortines admitted there were thousands more administrators than previously acknowledged, the headline in *Newsday* read "Look What I Found." When Cortines negotiated a weak contract with the custodians' union, which was famous for short hours, long pay, and bizarrely restrictive work rules, the mayor rejected the agreement. Randy Levine, wield-

ing the threat of privatizations, negotiated a new and better contract which was widely seen as a rebuke to Cortines.<sup>17</sup>

A local politician admitted to me, off the record, that Giuliani had been proved right. Almost \$2 billion had been cut from the school budget with no discernable effect on student's educational performance. But, he went on, there was no way he would make that argument to his constituents, many of whom were convinced that the mayor was a racist cutting the budget to harm black and Latino children.

"While Giuliani was repeatedly proven right," he said, "it's also true that he always came away with a black eye." Under the old charter, the mayor was partially insulated in his dealing with the schools by the Board of Estimate, which had a big say on the budget. But under the new charter, the mayor's fiscal priorities and the claims of the schools rubbed up against each other for all to see. The media, TV news in particular, was little interested in fiscal matters and the tensions were depicted as personality clashes with Giuliani cast in the role of the schoolyard bully. Well aware of the situation, Giuliani commented, "I don't dislike him [Cortines]. It plays out that way because of the public impression of the two of us—me being strong and tough, him being easygoing, friendly and nice."<sup>18</sup>

The more they fought, the further Giuliani's poll numbers dropped. By the time Cortines quit for good in September 1995, polls showed the public backed the chancellor over the mayor by two to one. When asked about Cortines' decision to leave, Giuliani responded, "I won't quit" pushing for school reform.<sup>19</sup>

The response to Cortines' departure was mild compared with the brou-ha-ha that followed Bratton's forced resignation six months later in March of 1996. Giuliani and Bratton were cut from much of the same cloth. They both hailed from working-class Catholic families. They both brought a strong sense of right and wrong to their careers in law enforcement. They were intense, ambitious men, natural leaders who evoked strong loyalties from their troops. Anyone who had been around both of them quickly recognized that their strong personalities and commanding intellects allowed them to dominate any setting. Both were brilliant and brusque, short-tempered with stupidity; their intensity was almost incandescent. They were that rarity, cerebral men of action. Well-read students of government and management, each brought meticulous preparation and

private-sector techniques into the stagnant pool of public-sector bureaucracies. Giuliani was described by an admiring former aide as "a combination of Descartes and Patton," and the same could have been said for Bratton.<sup>20</sup>

Bratton was by far the more flamboyant; Giuliani had an ascetic streak. Bratton was given to grand pronouncements, which he then lived up to. Giuliani liked to under-promise and over-deliver. The basic tension between them was best summed up by one of the wise men of New York politics, Ed Costikyan, who said, "When you have the best mayor in the country and the best police commissioner in the same room one of them is bound to feel diminished."

From Giuliani's perspective, Bratton was a publicity hound, who, thinking he was the mayor's equal, had tried to carve out his own fiefdom. Bratton saw the mayor as a self-aggrandizer who wanted to hog the credit. In January 1996 *Time* magazine put Bratton, not Giuliani, on its cover, in a story describing the city's anti-crime successes. Two months later, Bratton, who said he had planned to leave by the end of the year, was pushed out of office. It was the single biggest mistake of the Giuliani administration, although its implications wouldn't be played out until Giuliani's second term.

In the short run, the damage was minimized by the continuing decline in crime rates under Bratton's successor Howard Safir. Safir, Giuliani's first Fire Commissioner and a trusted friend, had been at the Drug Enforcement Agency and the U.S. Marshal's office. Tight-lipped, square-jawed and competent, the stiff and distant Safir made life difficult for the press. But he passed his first test with flying colors. In June 1996, John Royster, the son of a murderer, went on a one-man crime-spree of his own. Known in the tabloids as the Zodiac killer, he had slain one woman and left three severely injured and the city in a panic. In a vindication for the "broken windows policing" Bratton and Kelling had brought to New York, Royster was captured when he was arrested for jumping a subway turnstile.

In 1996, there were less than a thousand murders in Gotham for the first time since 1968. The sharpest drops in crime came in minority neighborhoods. In the 44th Precinct of the South Bronx, there had been eighty-nine murders in the peak crime year of 1989. In 1996, there were eighteen. Even in the city's worst area for murder, Brooklyn's Bedford-Stuyvesant, there had been nearly a 25 percent decline in killings since 1993.



The decline in crime was matched by a growth in jobs. Together they signaled a reversal of Giuliani's fortunes.

In the first half of 1996 the city's economy grew, albeit slowly, for the first time since 1988. The city had lost 361,000 jobs in the long recession that had ended nationally four years earlier. But the stock market revival of 1995, created in part by the conjunction of a Democratic president and a Republican Congress, produced a growth in private-sector jobs and income.

"The third quarter of 1996," explains Giuliani's budget director Joe Lhota, "was the first time we felt we could breathe a little easier. Our credit improved and the Financial Control Board finally backed off." New York's economy was still the weakest of the twenty largest cities in terms of unemployment, job growth and inflation. But Wall Street profits had produced a 14 percent jump in personal income and there were mounting signs of a tech boom in what would come to be called Silicon Alley.

There were also unexpected benefits from the tight budgets. The city had sharply reduced the number of building inspectors enforcing the city's rigid zoning codes, and that generally proved to be a very good thing. "Trying to enforce these rigid zoning laws" established when New York was a manufacturing city, was, said Joe Rose, Giuliani's Planning Commissioner, "like shouting at the ocean." Rose turned a creative blind eye to new uses for old spaces.

In the 1970s, artists in Manhattan's SoHo (for South of Houston) loft district were the first to circumvent the zoning codes by turning areas designated for manufacturing into live/work spaces. They were followed and sometimes displaced in the 1980s by retail and in the 1990s by tech firms that employed imaginative schemes to get around the zoning rules. In the 1990s, the dead zone between 14th Street and 23rd Street along Sixth Avenue was revived by major discount retailers like Bed, Bath & Beyond, which skirted the rules to open a nearly block long store between 18th and 19th Streets that became an anchor for a retail revival in the neighborhood. Paul Selver, Bed, Bath's lawyer, explained, "We developed a theory, which a receptive Building Department accepted, that Bed, Bath, as a type of establishment didn't fall into the categories that were prohibited—it wasn't a department store because there was no clothing, it wasn't a variety store, and it wasn't a home furniture store."<sup>21</sup>

But it wasn't always possible to get around the accumulation of

rules and regulations that made it so difficult to upgrade or build in New York. In *The Death of Common Sense*, a book on how attempts to write perfection into the law stifle social and economic creativity, Philip Howard drew most of his examples from New York City. Howard, whose book drew great praise from President Clinton, told the story of how a group of nuns found a statue of the Madonna in the rubble of two burned-out four-story buildings on 148th Street in Harlem. Inspired, the Missionaries of Charity set aside \$500,000 for reconstruction. Mayor Koch graciously sold the buildings for one dollar each. But that was only the start of it. Full transfer of title was another matter. For the next year and a half the nuns tried to navigate the bureaucratic processes extending from the local community board to the city planning commission. In 1989, after eighteen months of rigamarole, they finally began repairs only to discover that city ordinances required that they install elevators. Preferring to spend the money on worthy causes, they gave up and walked away from the project.

The Giuliani administration drew the right lessons from Howard's examples. Quietly, without fanfare or rhetoric, block-by-block, it broke with past failures by divesting itself of the tens of thousands of housing units it owned in Harlem. This was the quietest, and perhaps the largest successful privatization of any city in the U.S.



A mere fifteen minutes from midtown Manhattan by subway, Harlem had long been an economic world apart. A virtual city within a city, the neighborhood, with more residents than Atlanta, didn't have a single supermarket or movie theater in 1994. More than two-thirds of Harlem's people shopped elsewhere for a lack of stores. Most of the area was in ruins, brought down not only by racism but also by the ongoing rolling riot of crime and dysfunction. More than 80 percent of births were out of wedlock. Unemployment was almost three times that of the city as a whole and median income was less than half of the rest of New York. Harlem lost a third of its population after 1970 as arson, crime and the city's self-destructive rent-control laws led to widespread property abandonment. As of 1994, the city owned almost one-third of Harlem's housing, and much of that was vacant.

Some blocks were a no-man's land. 129th Street was so fright-

ening that cabbies wouldn't enter it all, while the police—who were sometimes greeted with rocks and bottles thrown from rooftops—received special warnings from their dispatchers when they were about to cross its threshold. In 1994, fifty-four people had been murdered on one block alone. Harlem, an old friend muttered, had been “liberated from mainstream mores.”

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Deborah Wright, the architect of Harlem's real estate revival, learned about the housing industry from Kathy Wylde at the New York City Housing Partnership. Like Wylde, she recognized the powerful impact of owning one's own home. As commissioner of the city's Department of Housing Preservation and Development, Wright proposed to sell quickly all the city-owned buildings to residents, small local landlords and entrepreneurs, and community organizations.

Mayor Koch had begun to sell off abandoned houses to private owners, but when David Dinkins came to power those efforts had been largely halted. But thanks, in part, to the efforts of an organization called the Community Preservation Corporation that was funded by local banks, there was a cadre of Harlem-based small-scale owners, contractors and property management companies looking for new opportunities. If local black entrepreneurs as well as the building residents, whom Wright described as “the salt of the earth,” bought the abandoned houses, she thought they would be deeply invested in a turnaround and might be able to make a go of it.\*

By September 1994, Wright had spent all of her political capital to get the plan approved over the objections of Harlem's political firebrands, community development corporations, and white liberals. She would stand up at community meetings and say in her twinkly style, “I can continue to be your landlord [referring to the city's vast holdings of Harlem housing]. But before you can talk to me you'll have to go to them,” she said pointing to a half dozen aides she had brought with her. Or, she went on, “you can have a more accessible landlord.” That always produced nods of agreement.

\*In the past, sales to local non-profit housing organizations produced mixed results. As had happened to the nuns, the groups sometimes had difficulty in circumventing the costly and confusing maze of regulations set up by the city. The properties then ended up getting recycled back into abandoned *in rem* housing.

White liberals feared that Wright's plan would displace tenants and squatters. Ideologically opposed to private ownership, they set up what they hoped could be confrontation between Wright and Harlem tenants. It turned out, says Wright, to be “an amazing meeting.” Instead of the show-trial activists intended, the tenants, mostly middle-aged black woman, were pleasantly surprised that a commissioner would spend time with them. Uninterested in squatters' rights, they wanted the chance to get their basic services like plumbing and heating improved. The tenants applauded when Wright told them, “If your new landlord screws up, you'll see him at church or the corner market.” When she finished her presentation, the audience gave Debbie Wright a standing ovation.

Wright had undercut the advocates by selling tenants on her plan, but she wasn't sure the mayor would buy what she was proposing. As Wright saw the situation, she was an unproven outsider, a black woman from the Dinkins administration trying to initiate an innovative but risky plan.

Respected players in the administration were opposed to Wright's approach. Corporation Council Paul Crotty and mayoral advisor Richard Schwartz, not unreasonably, wanted to buttress the city's sagging bottom line by selling the vacant properties to the highest bidders. But Wright saw that this could have produced a political firestorm in Harlem. And although Giuliani didn't know it, Wright was ready to resign if her plan for bringing home ownership to Harlem was rejected.

Things came to a head in a tense meeting with the mayor and the key players in the basement chapel of City Hall. But to Wright's surprise, she found that Deputy Mayor John Dyson, a New Democrat, was strongly in her corner. Like Wright, he wanted to bring capitalism to Harlem. He asked rhetorically, “Do we need more absentee landlords, do we want to give the demagogues a bounty?” Instead, he argued, “let's give local people a chance. If that doesn't work, we can open it up to a wider circle of bidders.” According to Dyson, “Rudy's response to Wright's proposal was ‘That makes sense, let's try it.’” Wright had carried the day. Looking back, she reflected, “I can't tell you how brave it was for the mayor and John Dyson to back me on this strategy.”

It was Wright's colleague Jerry Salama's job to bring the vision to fruition. Salama, who described himself as “a slayer of bureaucracies,” was the kind of guy who didn't take no for an answer. With

support from Salama and the city, the new owners went about the difficult task of removing squatters and drug dealers from their newly purchased properties. When new owners purchased three or four houses near each other, it began to change the character of a block. Both inspired and pressured by the possibility of improving their blocks, other neighbors received help from organizations like the Local Initiative Support Corporation to win bank loans to fix up their buildings. Over time the changes built on themselves. "No other housing commissioner," exulted Wright's deputy Jerilyn Perine, "could have pulled it off."

Important as the changes were in Harlem, the primary symbol of the economic upswing was the revival of Times Square. Famed as "the crossroads in the world" in the era before movies and television, Times Square had been in slow decline since the 1920s. But in the 1950s a series of ill-conceived court decisions granting pornography First Amendment protections produced a proliferation of sex shops that drove out conventional businesses. By the 1960s, when the movie *Midnight Cowboy* depicted the depravity of the strip, the "Deuce," as 42nd Street was known, had gone completely to seed. It was dominated by drug dealers, three-card monte games, pickpockets, prostitutes (child and adult, female and male, and transvestite thrown in), peep shows and porn theaters. By 1980 when plans for a revival were first laid, there were 2,300 reported crimes on the block between Seventh and Eighth Avenues alone, a fifth of them murder or rape.

In the early 1980s, the original plans for redevelopment called for a series of giant office towers with relatively little space for an entertainment district. In this case delay was salutary. When the 1987 stock market mini-crash waylaid the original designs for a series of office towers, a new and more appealing approach emerged that preserved Times Square's theatrical core.

Unnoticed at the time, innovative policing by Inspector Richard Mayronne, a cop's cop, who used broken windows techniques by making arrests for low-level crimes, began to make the area more appealing. In 1990 Viacom, the parent company of Nickelodeon and MTV, moved in. In 1992, a Business Improvement District was established. In the closing days of the Dinkins administration, an agreement in principle was reached for Disney to move on to 42nd Street and refurbish the historic but desolate New Amsterdam Theater. Disney received rich subsidies justly described as a

sweetheart deal. But in this case the city also got to taste the sweetness. "Disney in fact and in perception created a sea change," explained Gretchen Dykstra of the Times Square Business Improvement District; before Disney, "property owners asked us to help them assuage fears of potential tenants. After Disney, brokers are all trying to get a piece of the action."<sup>22</sup>

Giuliani, who in 1993 had unsuccessfully chased a thief in Times Square after he saw him snatch a tourist's purse, was effective in zoning out many of the pornography dens. By 1996 when Giuliani and his new Police Commissioner Howard Safir went to Times Square to celebrate the New Year, the occupancy rates in the area's hotels, once the lowest in the city, were the highest. The transformation was too successful for would-be hipsters who complained that the area had been "Disneyfied," stripped of its sexual frisson and sanitized. One sex hustler was bitter about the revival. With Giuliani, he said, there was "more police and less money.... People be scared now.... Makes you wanna get a regular job."<sup>23</sup>



## Racial Racketeering

In New York, insisted Democratic political consultant Jim Andrews, “race isn’t just part of politics, it is politics.” Andrews had a point. Both of Giuliani’s immediate predecessors had been brought down by racial incidents. Some of the other “new mayors” like Richard Daley in Chicago and Ed Rendell in Philadelphia worked overtime to avoid any action, including active policing in the inner city, that might spark a racial incident.<sup>1</sup>

Giuliani, aides note, had his worries when it came to Harlem, the symbolic center of African-American politics in the U.S. and the site of recurrent riots. Harlem’s main shopping venue, 125th Street, had long been overwhelmed by African immigrant peddlers hawking bean pies, Afrocentric statues, t-shirts, pinwheels, and bootlegged and stolen goods, not to mention drugs. In one three-block stretch alone, there were 1,300 peddlers (on both sides of the street). The vendors who dominated the sidewalks left the area strewn with garbage that caught on fire and attracted rats to the walkways. Inspector Wilbur Chapman, a native New Yorker who had done thirteen years of foot patrol in Harlem and traveled abroad, said, “It was worse than what you’d see in a poverty-stricken third-world country.”

The merchants, half of whom were African-American, lost business to the peddlers and got stuck with fines for the garbage. They were up in arms. “How can I compete with someone who pays no rent or taxes?” asked Jolena Matthews, owner of a small souvenir store. She and other merchants had complained bitterly to Mayor Dinkins and threatened to withhold their taxes to the cash-strapped city. But when Dinkins tried to clean up the sidewalks, the



peddlers, organized by Morris Powell, an escaped mental patient, met the police with a near riot. Powell, an ally of Reverend Al Sharpton, had become a force to be dealt with. Dinkins, like Koch before him, backed off.<sup>2</sup>

When Giuliani entered office, he was privately beseeched by some of the same pols publicly denouncing him as a racist to do something about the peddlers. Congressman Rangel, a tireless Giuliani critic, and a host of lesser officials and business leaders met quietly with Giuliani to urge action. The mayor, well aware, as columnist E.R. Shipp put it, that they would cry "racism" as soon as there was tension, moved cautiously. Giuliani went up to the famed Apollo Theater on 125th Street and made the local pols put their requests for a clean-up in writing. Sharpton screamed about a "sell-out," but the administration had some of the protection it needed.<sup>3</sup>

Giuliani's Commissioner of Business Services, Rudy Washington, then found a vacant lot nine blocks away from 125th Street that could be converted into an African-style open-air market, complete with electricity and bathroom facilities. But there was little chance the peddlers would leave of their own accord. In the 1970s a \$3 million mall just off 125th Street had been built for them, but they refused to budge. This time their anger was augmented by black talk radio hosts who spoke of how moving the vendors was part of Giuliani's racist plot for a white takeover of Harlem. But if there was to be a Harlem renaissance, explained Barbara Askins of the local Business Improvement District, "there was no choice, the vendors had to be cleared out."<sup>4</sup>

Washington and Chapman, the duo that had taken on the mob at the Fulton Fish Market, took the lead. In some ways, explains Washington, the situation was more frightening on 125th Street than it had been at the fish market. "The mob guys," he said, "were semi-rational, but some of the knuckleheads on 125th were crazy. You could never know when you'd run into one of them toting a gun on the subway or in the streets."

Chapman and Washington spent months speaking with the peddlers about the new site. Then, in October 1994 when the colder weather had thinned the crowds, they made their move. Inspector Chapman moved a massive deployment of men on to 125th Street in the dead of night. He had barriers and police set up every thirty feet. When the peddlers arrived the following morning, there were some minor skirmishes but little more. Chapman's cops held the streets twenty-four hour a day for two weeks, while Sharpton probed for an opportunity. But gradually, with the help of Imam

Pasha, who ran Malcolm X's old mosque across from the new market, the peddlers, (many of them African Muslims) began to set up in the new site. The market became such a success it was eventually included on Harlem bus tours. For his part, Morris Powell, out of business, was looking for a new hustle.

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Mayor Koch had tried to rebuild parts of Harlem but ran into stiff opposition from the Harlem machine run by Congressman Charles Rangel and his allies who controlled most of the antipoverty funds coming into the neighborhood. "Anyone who wanted to do business in Harlem had to go through them," recalls Randy Daniels, a Harlem resident who had been the press officer for former City Council President Andrew Stein. They insisted, Koch explained, "everything had to be done through their Harlem Urban Development Corporation. It was flat up our way or no way."

"Over time," explains veteran nonprofit investor Kathryn Wylde, "the government displaced the private sector and destroyed any semblance of a free-market economy."<sup>5</sup>

But in the ferment of the early 1990s, both Democrats and Republicans were looking to break with the failures of the Great Society social programs and for new ways to revive inner city markets. "Cities," explained one official, "want to start over." Rob Gurwitt of *Governing* magazine thought, "If we could restore our older cities to the conditions they enjoyed before Lyndon Johnson declared 1965 'The Year of the Cities,' before *Newsweek* proclaimed John Lindsay 'The Hero of the Cities,' before the 1965 Watts riots transformed the urban landscape, it would be considered an historic achievement." The whole intellectual apparatus erected in the 1960s to deal with urban issues "was being dismantled."<sup>6</sup>

On a practical level the ferment produced bipartisan legislation to reduce federal taxes and regulation as well as provide low-interest loan funds in areas designated as Empowerment Zones. Harlem, due to Rangel's influence on the powerful House Ways and Means Committee, was awarded such a zone. But rather than break with the past, the congressman saw the zone as his new political money pot. When criticized because so many of the zone projects he proposed to subsidize were patronage-driven social service organizations, Rangel responded, "We cannot make an offer to business until the community has set the priorities."<sup>7</sup>

Pataki and Giuliani were pushing to bring in national retail chains like Blockbuster Video, which had been trying to get into

Harlem for two years. But they met stiff resistance from Rangel. One major site, an old abandoned wire factory that could be made into an ideal retail outlet store, became a major bone of contention after Rangel rejected a healthy private sector bid for the site. Rangel initially saw the factory land as the new site for the old idea of a third-world trade center. But failing that, he wanted a community college, government offices, a drug rehabilitation center—anything but private-sector development that might change the political economy of Harlem and loosen his grip on power. In the midst of this standoff, a racial conflagration on 125th Street threatened to derail the possibility of a Harlem revival.<sup>8</sup>

In the fall of 1995, Sharpton, well established as the city's leading racial demagogue, was in temporary eclipse. Shrewd and charming or thick and menacing as the occasion demanded, Sharpton's quick wit allowed him to make himself the master of a moment. One journalist tells the story of how tabloid photographers had staked out a beauty parlor where Sharpton was getting his permanent wave. When they burst in, Sharpton, unfazed, waved them closer, to record how a "real man" gets his hair done.<sup>9</sup>

But for the moment his touch seemed to have failed him. Sharpton, smarting from Giuliani's refusal to deal with him, organized a protest march in opposition to Governor Pataki's budget. But the episode produced only yawns. Sharpton's organization, the National Action Network, was treading water despite some successful shakedowns of Korean businessmen, he was out of the headlines. But in October 1995, first Louis Farrakhan's Million Man March in Washington and then Fidel Castro's visit to Harlem revived Harlem's third world and black nationalist passions.

Sharpton's ally Morris Powell, the escaped mental patient, had a long history of violence. (He had beaten three murder raps, once for breaking open the skull of a Korean woman.) As the head of the Buy Black Committee of Sharpton's National Action Network, Powell was feeling similarly displaced after Giuliani had moved the vendors off of 125th Street. And then a new opportunity presented itself in the form of a landlord-tenant dispute.\*

The United Pentecostal House of Prayer, one of the largest

\*In 1993 Sharpton drew closer to Farrakhan. When he introduced the Nation of Islam's leader in 1993 at the Javits Center he told the crowd, "We will stand together. Not in some private midnight meeting...but in the daylight. Don't ask who don't like it; we love it! Don't ask who's mad, we're glad." *New York Observer* 3/13/2000.

black landlords on 125th Street, raised the rent on the Fashion Mart owned by a Jew, Freddy Harari, who then raised the rent on his sub-tenant, Sikhulu Shange, who ran a record store. Recognizing that the quickest way to gain support was to turn a landlord-tenant dispute into a racial issue, Shange went to Sharpton's National Action Network.

Sharpton opened his public campaign against Freddy's on WWRL radio by warning, "We will not stand by and allow them to move this brother so that some white interloper can expand his business on 125th Street." His lieutenant Morris Powell, an intimidating figure, chimed in, "This street will burn. We are going to see to it that this cracker suffers."

On the streets, the picketers organized by Powell in front of Freddy's picked up their leader's themes. They not only ranted about Jews as "bloodsuckers"—a reference to the medieval charge that Jews sacrificed Christian children as part of the Passover ritual—but they also warned out loud, "We're going to burn and loot the Jews." While the protesters chanted, "bring a casket to work tomorrow" and made displays of striking matches and throwing them into Freddy's doorway, which stood just a few feet from the offices of Charles Rangel, the congressman professed to know nothing. After two months of rhetorical violence, protester Roland Smith, a man with a long criminal record, his already well-developed hatred of whites goosed by the protests, ran into the store guns blazing, and burned it down. When it was over, Smith, who liked to be known by his taken African name of Abubunde, had killed himself and seven others. He had killed three whites and a light-skinned Pakistani he had mistaken for a Jew, and then set a fire that killed five Hispanics, one Guyanese, and one black, the security guard whom the protesters had taunted as a "cracker lover." When it was over, Congressman Rangel was angry, very angry—with Mayor Giuliani for having criticized Reverend Al.<sup>10\*</sup>

In the wake of the massacre Rangel was forced to accept a highly talented and private-sector-oriented director for the Empowerment Zone. The new director was the same Deborah Wright who as a member of the Giuliani administration had helped create a mar-

\*In an anticipation of the 9/11 Islamist conspiracy theories, a few days after the killings Morris Powell postulated that the white owner of Freddy's had a secret passageway out back through which, once the bloody rampage began, white employees were led to safety while black and Hispanic workers were left trapped inside.

ket for the stores on 125th Street by upgrading Harlem's aging brownstones. Naturally, prospective businesses interested in Harlem demanded that there would be no repetition of the massacre. At the same time Wright made it known to the Rangels and Sharptons that "this is the last, best shot the community has." She intended to "show taxpayers that investment in the inner city could produce results." Attacked as a tool of white interests, Wright asked, "Why can't the average shopper in Harlem have the same range of options that looks like any other neighborhood?"<sup>11</sup>

By the time the election year arrived in January of 1997, Rangel was still bitter. He complained, "The only thing I see that Giuliani has done is he bought some goods in Harlem from a Jewish merchant to show that 125th Street is coming back." But then again he had reason to be angry. *New York* magazine and *U.S. News and World Report* were speaking of "Harlem's Next Renaissance." With much of the country overrun by new malls competing with newer malls, Harlem was an untapped market. With crime down and Empowerment money available for the private sector, Disney, Sony, Magic Johnson Theaters, Pathmark, Cineplex Odeon, The Gap, Radio Shack, and Barnes & Noble had either opened or were in the process of opening stores. At the same time young black professionals were rediscovering the virtues of Harlem's beautiful and undervalued brownstones.<sup>12</sup>

Mike Tomasky, a left-liberal journalist, gave Giuliani credit. For six or seven years, he noted, "race was the city's obsession.... It unelected Koch, elected and unelected Dinkins. But Giuliani, who refused to play the racial bargaining game, seems to have cooled the city's racial politics down from its customary boil." The temperate racial climate wouldn't last. The beginning of competition from private-sector business was still far too limited to close down the race business. But there was a breather that lasted through the 1997 election season.<sup>13</sup>



## FOURTEEN

## The Mayoral Election: Ruth vs. Rudy

**R**udy Giuliani's path to re-election in 1997 had been paved in 1996 by Bill Clinton's re-election. President Clinton, a Democrat, and the Mayor, a Republican, two cerebral centrists on the outs with the activists in their respective parties, had been very good for each other. New York's success in reducing crime—25 percent of the national decline in Clinton's first term came from Gotham alone—gave the president something to brag about. At the same time, Clinton's COPS program helped Giuliani pay for police overtime for his cash-strapped city. But more important, Clinton's support for welfare reform and his statement that "the era of big government is over" made it far harder for liberal Democrats to paint Giuliani as a right-wing extremist. On welfare reform, Giuliani actually positioned himself to Clinton's left by championing the right of legal immigrants to receive welfare.

As the 1996 presidential campaign took off, Giuliani was conspicuous as the only major New York State Republican not to have endorsed the candidacy of Republican Senator Bob Dole. The Republican vice-presidential candidate, former upstate New York Congressman Jack Kemp, was part of an all-out effort to woo the mayor. After a dinner with Giuliani, he gushed that he and Dole "want to do for the country what Rudy is trying to do here in NYC." But Giuliani kept his distance from the Senator. His political team was well aware that a Dole presidential victory would give the GOP control of all three elected branches and was sure to provoke an anti-Republican backlash in New York.<sup>1</sup>

When one of the mayor's key supporters explained that Giu-



TWENTY

## The Best of Times/ The Worst of Times

**A**s the new Millennium arrived, Gotham was giving birth to new industries while once dying neighborhoods were coming back to life. But for Giuliani, as a politician and a man, 2000 would prove to be the worst of years. Anger over police practices was intensified by a new and badly handled incident that sent his popularity plummeting. At about the same time, his personal life came apart with the very public end of his second marriage. Meanwhile, the discovery that he was suffering from prostate cancer led to his withdrawal from a Senate race that he had never fully entered.

The year began with the mayor, fresh from his Y2K/terror scare triumph, standing in front of a huge panoramic picture of a packed Times Square on New Year's Eve, delivering his State of the City address. Politically, the speech was both a long goodbye to the Giuliani mayoralty and the kickoff for his "undeclared United States Senate campaign."<sup>1</sup>

The speech opened with the mayor first holding up the 1990 *Time* magazine cover with the blazing headline: THE ROTTING OF THE BIG APPLE. Then, to encapsulate his accomplishments, he held up the current issue of *Time* showing Times Square packed with happy revelers. "It's a lot better cover," he smiled to a round of applause.

"This could be," he began referring to his prospective campaign for the Senate, "my last State of the City speech..., it might not be my last State of the City speech. We don't know—but it could be. So today," he went on picking up the themes that had been obscured in his mishandled fight for charter reform, "I'd like to dis-

cuss with you the ideas behind the changes in the City. We need to understand those changes and the ideas behind them. Otherwise, there's no question in my mind that the City will go back to the way it was to the policies that produce predictable failure."

But it took another forty-five minutes of a ninety-minute speech, delivered in whole paragraphs without notes, before Giuliani discussed the ideas he had referred to. "America soars," he explained, "when we have the genius of America working for the poorest people in America. One of the tragedies of New York, and of American urban areas, is that we actually blocked the genius of America from working for the poorest people in America."

The key to pulling people out of poverty, he argued, was the economic opportunity that derives from vigorous economic growth. He boasted that in 1999 New York had almost doubled the national rate of job growth. Praising the affordable Nehemiah homes built by the East Brooklyn Congregations, he lamented that only 30 percent of New Yorkers owned their own home compared to 50 percent in most cities and 66 percent nationwide. To increase New York's rate of minority home-ownership, the city, he announced, would create building incentives in three outer-boro minority neighborhoods, Ocean Hill-Brownsville, Morristania, and East Harlem.

When Giuliani had finished speaking and began to leave the stage, he was called back by Peter Vallone who had shouted out, "You don't want to mention the tax cuts?" Giuliani responded "Yes, I do want to mention the tax cuts" which had made the over-burdened city more economically appealing. "So far," he continued, "together, we've done \$2.2 billion as a partnership. We believe that over the next four years we should do another \$2 billion in tax cuts."<sup>2</sup>

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At the end of 1994 the Dow Jones average was at 3,834. But by the end of 1996 the combination of a Republican Congress and a Democratic president helped nearly double the market to 6,448. The country had been out of the recession for nearly four years, but only then did the city that prides itself on being smarter than the rest of America emerge from the doldrums. By the end of 1997, the city had grown 1.1 percent over the previous three years compared to a national growth rate of 2.7 percent. Then things took off. On the last day of December 1998, the Dow was at 9,181 and it nearly reached 11,000 by the end of 2000—a climb of more than 6000 points since 1994. The federal treasury's increasing dependence on

the revenues that flowed from the stock boom meant that quietly, without the issue ever being discussed, power was flowing back to New York from Washington.

Driven by the stock market, which nearly tripled between 1994 and 2000, Gotham's job growth was the fastest since 1951 as private-sector jobs increased by a record 84,000. By the end of 1998 the city had recovered all the private-sector jobs that had been lost in the Dinkins recession. By the end of 1999, after a 9 percent increase in employment since 1993, more New Yorkers were employed than at any time since before Lindsay induced the 1975 fiscal crisis. Public-sector jobs dropped slightly although the city's non-profit sector, which was politically aligned with the public sector, continued to grow. Fifty-four percent of New Yorkers considered themselves part of the labor force, still well below the national average of 64 percent but the highest percentage since the Bureau of Labor Statistics began calculating labor force participation in 1978.

Population in a democracy is a marker of both power and pride, a sort of civic scorecard. New York was one of the big winners in the 2000 census count. Thanks to immigration, the once-dying city grew in the 1990s by 456,000 people to surpass eight million for the first time, despite the loss of more than 250,000 white residents in the same decade.

Immigrants, largely from Asia and Latin America, with their entrepreneurial energy, represented 40 percent of the population as whites declined to 35 percent. The change was least visible in Manhattan where the rush of white commuters gives an appearance at odds with the outer boros. The new immigration transformed neighborhoods as Koreans placed their stamp on Flushing in Queens, Mexicans on East Harlem, and Eastern Europeans on the Belmont section of the Bronx.\*

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The combination of crime reduction, population growth, strong mayoral leadership and the stock market boom coincided with the

\*The newer immigrants—a hodgepodge of Koreans, Vietnamese, Chinese, Filipinos, Pakistanis and Indians from Asia; Romanians, Russians, Ukrainians and others from the former Soviet Bloc as well as Lebanese and Egyptians—all arrived in numbers too small to achieve gains through politics. Only the Dominicans among the new arrivals could think of moving up, as had the Irish, Puerto Ricans and African-American before them, though winning office. Dominicans were also the one group experiencing severe downward mobility.

end of the transition out of a manufacturing economy. Together these trends were reshaping the city. Thanks not only to Giuliani but to the Nehemiah housing program, the New York City Partnership and the Community Preservation Corporation, home-ownership rates, which change only slowly, grew from 28 to 33 percent, still half that of the nation at large, but a big step forward for the long-term stability of the city. The Harlem and outer-boro housing markets, which had collapsed in the 1970s, were finally restored so that, as private developer Richard Richman explained, "there are now functioning housing markets in virtually every nook and cranny of the city."

If, as Jane Jacobs has argued, healthy cities are places where old buildings are put to new uses, the mid- to late-1990s New York saw recycling on a grand scale. New York's burgeoning software industry, Silicon Alley, found space in the aging and underused office buildings of lower Manhattan. The thick, sturdy floors, high ceilings, abundant electrical power and easy access to fiber-optic cables that have been laid along the old water lines close to the grand old buildings all made the area ideal for tech firms. In the Garment District, sweatshops morphed into internet incubators and Lower East Side tenements became million-dollar work/live lofts. The upper stories of the Woolworth Building, the famed turn-of-the-twentieth-century "Cathedral of Commerce," were converted into condominiums.

Outer-boro neighborhoods like Mott Haven, St. George, Williamsburg, Fort Greene, East New York and Coney Island were also reviving. In the city's ten poorest neighborhoods, the median price of a single-family home grew by 37 percent in the course of the late 1990s, four times the rate of increase in the ten wealthiest neighborhoods. In East New York and Mott Haven, two of the city's ten poorest neighborhoods, median income grew by 39 and 47 percent during the same period. New York as a whole hadn't been so healthy in a half century.<sup>4</sup>

With Brooklyn and Lower Manhattan intertwined by the best mass transit connections anywhere in the county, "The restoration of the Brooklyn brownstone belt," explained Carl Weisbrod of the Downtown Alliance, "was a crucial element in the revival of Lower Manhattan. Just as at the turn of the twentieth century, Brooklyn's tony neighborhoods were once again filled with "location decision-makers, senior managers in investment banks, partners in law firms, and bank executives."

A whole new Brooklyn neighborhood called Dumbo (Down Under the Manhattan Bridge Overpass) emerged, signalling new possibilities for the once declining boro. Dumbo was largely the creation of one man, David Walentas, who began acquiring property in the 1970s when the area was filled with abandoned buildings. But in the 1990s it became one of the prime sites along the Brooklyn littoral for Silicon Alley companies that had crossed the river. Next to Dumbo, the nearly moribund Brooklyn Navy Yard was brought back to life by Giuliani appointee Marc Rosenbaum, who enticed a variety of new companies, including movie production facilities, into the historic and previously all-but-abandoned facility.

Next door to the Navy Yard was Fort Greene. In the 1990s as crime receded, it blossomed as an integrated district defined, in part, by a number of independently owned African-themed boutiques, stores and restaurants. The adjacent BAM (Brooklyn Academy of Music) cultural district benefited from over-heated Manhattan rents that sent a stream of nonprofits, including the Mark Morris Dance Company, into the "outer" boro. Brooklyn had become hip. Brooklyn, said urbanist Joel Kotkin, has "become the exciting urban experience people once went to Manhattan for before it became too expensive and too filled with chain-store retailers."

North of Canal Street in Manhattan, the traditional boundary between downtown and what was once the machine tool and loft manufacturing district of SoHo was effaced. In the 1970s local artists augmented by arrivals from the Rhode Island School of Design and the Chicago Institute of Art remade SoHo. In the 1990s, young software executives, fledgling investment bankers, and anyone else who could afford to live in a hip area within walking distance of Wall Street largely displaced the artists who moved to Williamsburg in Brooklyn.

While "hip" young bankers were moving south to "funky" designer lofts and chic shopping, parts of Wall Street were migrating north to Times Square. In the new Times Square, noted Tom Wolfe, "out-of-town financial types must be perplexed to find the mighty Morgan Stanley shank-to-flank with a pink-neon girlie bar called Runway 69."<sup>4</sup>

In the new Times Square, Wall Street firms and the giants of information and infotainment—ABC, ESPN, Reuters, Condé Nast, Time-Warner, Viacom, NBC, Bertelsmann A.G., Bloomberg L.O.—were located side by side with KMPG, and Deloitte Touche. New

York, glowed Mitchell Moss of New York University, "was the capital of the information age...companies that now define our economy."<sup>5</sup>

For all the positive change, probably the best indicator of the city's revival was the feel of street life. Cities, noted Milwaukee's innovative Mayor John Norquist, offer the pleasures of public life unavailable in suburbs where "life is filtered through a two-screen experience—the TV and the windshield." One sign of the change came on Kings Highway in Brooklyn. An elderly lady waiting at a bus stop watched as a group of young teens were throwing pebbles at passing cars. The lady turned to the kids and said, "You better stop that or Rudy is going to get you." The boys, startled for a moment, thought about it, dropped their pebbles and walked away.

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When Mayor Giuliani stood in front of the huge blow-up of Times Square to deliver his 2000 State of the City speech, New York was without a School Chancellor. In his speech Giuliani spoke of a "school system today" that "protects jobs before it educates children. It's essentially a job protection system." He proposed, in addition to his usual suggestion for giving the mayor direct control of the schools, a position strongly backed by Peter Vallone: merit pay for teachers so that "the teachers who do a great job" aren't "paid the same as the teachers who do a bad job." Throwing caution to the winds, he argued that there should be not only merit pay, but an end to tenure for teachers as well. He noted with some anger that if a "teacher commits a crime, it takes years to remove him or her. Commits a crime! That's job protection at its worst, and we have to have the courage to reverse it."

If that weren't enough to stir the fires, he came out strongly in support of school vouchers so that public money would follow the pupils rather than the other way around. In making his case, he referred to Milwaukee Mayor John Norquist's voucher program that was raising student scores. If vouchers "don't improve the education of children, then we'll move on to something else. That's what an innovative, creative society does. It embraces new ideas."

Giuliani had thrown down the gauntlet, and the city held its breath. But the sparks he had thrown out never ignited the debate New York needed to pick a new school chancellor. The past chancellor, Rudy Crew, who had until recently had been a Giuliani ally,

had been forced out by the mayor in December 1999 following a series of minor scandals and, more significantly, his opposition to Giuliani's plans for school vouchers.

Crew, appointed in 1995, had been the longest serving chancellor since 1983, but test scores had barely improved on his watch. Worse yet, despite efforts to root out patronage and corruption, School Inspector Edward Stancik, a Javert of a man, uncovered widespread teacher involvement in doctoring test scores. The response from the teachers' union was to attack Stancik as another Kenneth Starr pruriently looking into people's private lives.

Displacing Crew, an African-American, had the potential of turning into a racial firestorm. (And Chancellor Crew, anticipating Giuliani's response to his limited achievements, had been meeting with Al Sharpton.) Crew's de facto firing also risked angering the powerful teachers' union with which Crew had been closely aligned. The teachers had remained neutral in the 1993 and 1997 campaigns, but it was clear that in the upcoming Senate race they would support Hillary Clinton.

Robert Kiley, who had turned the Metropolitan Transit Authority around in the 1980s, was the big business choice for a new School Chancellor. But he was narrowly passed over. In mid-February 2000, the Board of Education chose Harold Levy, an IBM lawyer and the choice of Assembly Speaker Shelly Silver and the United Federation of Teachers. Levy, a conventional liberal, who was on record as saying that the chief problem with the schools was a lack of money, had to be pushed into accepting higher standards for CUNY. Levy was white; his recent predecessors had been Hispanic and black. For the moment the interests of the teachers trumped the usual game of racial politics, but not for long.

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Racial tensions were rising during the trial of the four officers who killed Amadou Diallo when the major Democratic presidential candidates, Vice President Al Gore and former senator and Knick Bill Bradley, came to Harlem's famed Apollo Theater on 125th Street for a debate. If the candidates wanted to strike a positive note, there was plenty to talk about. Nationally, African-American home ownership had reached record levels during the Clinton administration and for the first time since the 1950s black income was rising at a faster rate than white income. In New York, the average income of

a black household residing in Queens had surpassed that of whites. The candidates had only to look around 125th Street to see the changes. Mainstream companies and middle-class professionals were moving into Harlem as never before. Duane Reade, Rite Aid, Pathmark, Blockbuster Video, Starbucks and Sterling Optical had set up shop with major retail complexes and multiplex movie houses on the way.

Had the national journalists covering the event done their homework, they would have known that the famed Apollo nearly went bankrupt the previous year while under the control of old-time liberal Congressman Charles Rangel. The publicly owned theater had generated a great deal of money for Rangel's cronies but very little for itself. The fact that the theater had revived after control was wrested from Rangel was a symbol for Harlem and black America more generally.

But the presidential primary debate was held under the auspices of Rangel and Sharpton, the very men who had done their best to retard Harlem's revival with their relentless focus on resentments and their own "claim" to the neighborhood. "Auspices" may not be the right word. Gore had come because Sharpton had threatened him with protests if he didn't comply with the Reverend's wishes. This could have been Gore's Sister Souljah moment. Gore, who had quite rightly criticized George Bush for kowtowing to "Confederate flag waving" white racism in South Carolina, decided to capitulate to black racism in New York.<sup>6</sup>

The Gore/Bradley debate degenerated into a pander fest. Both candidates went out of their way to denounce supposed "racial profiling" by the NYPD. No proof was necessary nor was any available since there was no credible evidence that the NYPD did any such thing.

Four days later the verdict in the trial of the cops who had killed Diallo was announced in Albany, where the case had been moved to get a jury that hadn't been inundated with press reports on the case. The Bronx District Attorney had over-charged the police with intentional murder so that acquittal on all counts was as predictable as the outcry that followed. The Reverend Calvin Butts, a Pataki ally, spoke of the "evil that permeates City Hall," and even the usually cautious Reverend Floyd Flake, a one-time Giuliani ally, denounced the mayor as a "megalomaniac and a paranoid schizophrenic." Others weren't so kind.<sup>7</sup>

The game was on. Less than a week later, on March 1, when a heroin dealer was killed in a struggle with a cop, the racial racketeers and the press had a new "victim." The Malcolm Ferguson killing, only a few blocks away from where Diallo had died in the Soundview section of the Bronx, set off a small-scale riot as two hundred local residents threw bottles and bricks at the police. Ferguson, who had been arrested nine times on drug and burglary charges, was one of only two protesters arrested a few days earlier in a violent demonstration occasioned by the Diallo verdict. Louis Rivera, the officer in the struggle with Ferguson, had a distinguished record and had never fired his gun before. The police found six cellophane-wrapped packages of heroin rolled into the waistband of a pair of sweatpants Ferguson wore under his jeans. Nonetheless, the local CBS and NBC television affiliates turned Ferguson into a martyr to Giuliani's police state.

There was no case. In June the Bronx District Attorney's office found that "on balance, the evidence supports Police Officer Louis Rivera's statement that the death of Malcolm Ferguson occurred accidentally, in the course of a struggle. Accordingly, the Bronx District Attorney's criminal investigation is now closed."<sup>8</sup>

But tensions were inflamed, and the worst was yet to come. On March 16th aggressive policing intersected with an innocent man, producing tragic results. An undercover cop on narcotics patrol approached twenty-six-year-old Patrick Dorismond, an off-duty security guard, in the drug-trafficking area not far from the Port Authority Bus Terminal. In an attempted sting, the officer asked if Dorismond was interested in buying crack. Dorismond got angry and was reputed to have said, "What are you doing asking me for that shit?" A fight broke out and during the struggle Dorismond was killed.

The angry surface of Giuliani's public persona was usually a mask for calculated political judgments. But the Dorismond case was different. Giuliani initially called for calm until all the evidence was in. But whether under the strain of the Diallo and Ferguson cases or the tension from his own dissolving marriage, he ignored his own counsel and soon released Dorismond's scant juvenile arrest record. Challenged, he said that a dead man can't be libeled. This was a clear violation of both city rules and elementary fairness. Appalled, even his allies at the *New York Post* came down hard on the mayor. The Reverend Butts threatened riots. He compared the death of Doris-



mond to a "lynching." Then, saying he feared a repeat of the urban unrest of the 1960s, he explained that "Every urban rebellion, every riot, whether in Newark, New Jersey, or Harlem, New York, was started because of police violence and misconduct."<sup>9</sup>

The man who had saved New York City saw his job-approval rating drop to 32 percent. And for the first time, he fell narrowly behind Hillary Clinton in their hypothetical match up for the Senate. Candidate Clinton, who had run a very restrained campaign, sensed an opening and tore into Giuliani, who responded in kind. It looked as if the Senate fight was truly joined. But it wasn't.

Pundit and polls alike were puzzled by Giuliani's lukewarm approach to a Senate race that had much of the country abuzz. He seemed to want the job but only if that meant he didn't have to miss too many Yankee games or campaign too often in the frigid areas of upstate. One source of the ambivalence became clear when on April 26 he announced on television that he had prostate cancer. The mayor spoke of how he was considering different treatments but said that he was still a candidate for the Senate. As the press conference was winding down, he was asked if his cancer might mellow him. "No way," he replied, a half smile on his face.

Giuliani's marriage had been dissolving for years. Friendly politicians who visited the mayor at Gracie Mansion would, as early as 1996, speak in hushed tones of the frosty relations between the mayor and his second wife, TV anchor Donna Hanover. Some of their musings made it into the tabloid gossip pages, which lit up when Hanover accepted a role in *The Vagina Monologues*.

On May 10, two and half weeks after the announcement about his cancer, Giuliani went public with what the gossip world already knew. His marriage to Donna Hanover was over. For nearly a year, Giuliani had been keeping increasingly public company with Judith Nathan, a forty-five-year-old divorcee with one child, whom he would eventually marry. Hanover learned on TV that the marriage had fully ended. Furious, she went before the cameras herself to allege that Giuliani had ruined their marriage with two affairs, one of them with his former press secretary.

The mayor's critics saw the obvious hypocrisy of a man who "had been the scourge of illicit pleasures" being forced to confess to his own. "Usually quick to assign blame," wrote Elizabeth Kolbert in the *New Yorker*, "he has, on the subject of his own marital difficulties, been magnanimous to a fault," refusing to assign blame

and musing about "who knows why these things happen." Giuliani quietly moved out of Gracie Mansion and into the spare bedroom of an apartment of a gay couple with whom he was friends. The fall-out might have been far more severe if it hadn't played out against the larger backdrop of the Monica Lewinsky affair and Hillary Clinton's run for the Senate.<sup>10</sup>

On May 19, 2000, Giuliani announced, "This is not the right time for me to run for office" at a hastily convened press conference in the City Council hearing room. He insisted that his marital breakup had little to do with the decision, which he insisted was strictly a matter of his health. "I've decided that what I should do is to put my health first, and that I should devote the focus and attention...to being able to figure out the best treatment and not run for office."<sup>11</sup>

The press was given a very different, very sentimental Giuliani. "The reason I'm such a fortunate man is that I have people that love me and I love them and they care for me and I care for them." This was an apparent reference to Judy Nathan. A day later he told Tim Russert of NBC news, "I tend to think that love is more important than I thought it was."<sup>\*</sup>

Giuliani, who had preached strength and self-discipline, had been humbled not only by disease but also by his own personal disorder. A lame duck, who had flaunted his affair and publicly humiliated his wife, Giuliani, it was widely assumed, would have to change his political ways. And for the moment, there was a great deal of talk of a kinder, gentler Giuliani.

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The Senate race that followed between Hillary Clinton, and the little-known Republican congressman from Long Island, Rick Lazio, was anti-climactic. Her brilliant campaign, which focused on paying attention to the neglected voters of upstate's Western tier, produced a crushing victory. But then again there was something disingenuous about the earlier claim that the Rudy match would be the great struggle of Right and Left. Both had been defined by their enemies as far more extreme than their actual policy positions. Their

<sup>\*</sup>Giuliani credited his paramour, Judith Nathan, a trained nurse, with helping him choose his course of treatment, radioactive seed implantation, rather than surgery. It proved successful.

symbolic images diverged far more than their substantive stances on issues such as welfare reform and policing where, as befitting Bill Clinton's centrist presidency, they were in substantial agreement. Once in the Senate, Hillary Clinton backed Giuliani's call to abolish the Board of Education.

The mayor's withdrawal began to temper the anti-Giuliani frenzy. It obviated the organized campaign to undermine him that had begun even before the Diallo affair with Hillary's entrance into the contest. The animus was further tempered by his personal troubles and talk of a "new Rudy."

But just as important, when the city's African and Haitian livery cab drivers were subjected to a wave of murders followed by the vicious mass murder of minority workers at a Wendy's, there were second-thoughts about the anti-Rudy animus. The bloodshed reminded the city that, while the emergency might be over, there was no such thing as a tipping point, a natural process, which produced a self-sustaining collapse in crime. A better metaphor for a city in which there are 650,000 single-parent, generally fatherless families with at least one child under eighteen, is a pressure cooker. The police are crucial for keeping the lid on it. But it was only after the June 11, 2000 Puerto Rican Parade that many grasped what they stood to lose if the lid were removed.

That Sunday, what began as friendly-flirty boy-girl rough-housing in Central Park near the parade route turned into a wave of fifty or more sexual assaults. "This is better than Disneyland," shouted a "youth" caught on one of the amateur videotapes the TV stations played over and over. There, visible on the videos of women besieged, were the "gregarious youths" the police had been accused of harassing. The same "youths" the *New York Times* had portrayed as victims of Giuliani's attempt to "mindlessly impose the mores of Mayberry" were, in a most un-PC manner, harassing upper-middle-class women in Central Park, and right across from the Plaza! There are limits to multiculturalism. The wilding was part of a weekend of murder and mayhem in which three were killed and fifty-nine assaulted with knives or guns; there was also a bias attack against Orthodox kids on the Coney Island Boardwalk.<sup>12</sup>

Suddenly the idea of a kinder, gentler Rudy didn't seem so appealing.

*Newsday*, which had been flaying the police for months, captured the change of mood. "Has Giuliani given up on keeping order?

It's over. Suddenly Mayor Rudolph Giuliani sounds like a tired and defensive guy forced to wrestle with a city of ingrates." The fear was that the mayor who had kept the city's enemies at bay for nearly seven years was now more preoccupied with personal than public issues.<sup>13</sup>

But whatever changes he had gone through, the core of his public persona remained unchanged. Giuliani went on to reassert his authority and that of the police. By November 2000, Giuliani's poll numbers stood at 55 percent approval, 37 percent disapproval—his highest rating, according to the Quinnipiac poll, since November 1998 prior to the start of the Senate race and the Diallo killing.\*

\*For all of Giuliani's personal troubles, the revival of cities in general and New York in particular played an important role in the 2000 presidential election. In the 1992 and 1996 elections, the big cities had generally been shunned by the candidates. But 2000 was different. The reform currents in American life, namely school, welfare and crime reform, were coming out of City Halls. Gore took pains to wrap himself in the mantle of Democratic mayors such as Wellington Webb of Denver, Dennis Archer of Detroit and Ed Rendell of Philadelphia. When Texas Governor George W. Bush described himself as a "compassionate conservative," he was following in the path of Richard Riordan, Los Angeles's Republican mayor, who called himself a "bleeding-heart conservative." In a period before we realized we were at war with 1,300 years of Jihad, both Gore and Bush talked so much about schools and quality-of-life issues that at times they seemed to be running for the office of America's mayor.



## Terror from the Skies

**O**n the morning of the Democratic Party primary, the skies over New York were cloudlessly clear. While voters were arriving at the polls, Mayor Giuliani and his alter ego Denny Young were at the Peninsula Hotel on 55th Street for a breakfast. If terrorism was on their minds, it was in part because on the next day, September 12, one of Osama bin Laden's associates was scheduled to be sentenced for killing 213 people in the 1998 bombing of the U.S. embassy in Kenya. But then came an unexpected phone call from Deputy Mayor Joe Lhota. At 8:47, a plane had crashed into the World Trade Center. It was about 8:48. Giuliani and Young rushed to the scene.

At the same time, Richard Sheirer, Jerry Hauer's successor at the Office of Emergency Management, was at City Hall for a meeting about the proposed Jackie Robinson-Pee Wee Reese memorial planned for Coney Island. "I was in heaven, sitting between Ralph Branca and Joe Black," he remembers. "We were about to select the statue, and then we heard the pop."

The meeting about the memorial for the two Brooklyn Dodger heroes had been a welcome break from preparation for the big event scheduled for September 12, when Sheirer was supposed to lead a drill on biological terrorism at Pier 92 along the Hudson. The drill was designed to test the city's ability to respond to the casualties from a major terrorist attack by quickly setting up ad hoc medical facilities. "For an audience, Sheirer had lined up Mayor Rudy Giuliani, the police and fire commissioners, and representatives of the FBI and the Federal Emergency Management Agency (FEMA). He had hired over 1,000 Police Academy cadets and Fire Department

trainees to play terrified civilians afflicted with various medical conditions, allergies, and panic attacks." Sheirer, like the mayor and thousands of firefighters and cops, raced to the World Trade Center.<sup>1</sup>

A fire official later remembered that it was still "beyond our consciousness, unimaginable that a second plane would hit the South Tower." Shortly after the first plane hit, Brian Clark, a broker working in the South Tower, heard the announcement over the PA system: "Building 2 is secure. There is no need to evacuate Building 2. If you are in the midst of evacuation...return to your office."<sup>2</sup>

At 9:03 the second plane hit the South Tower. While people were fleeing for their lives, Giuliani and his crew arrived downtown at 9:20 to witness what he later described as "the most horrific scene I've ever seen in my whole life." The second plane had already hit, leaving no doubt that this was a terrorist attack. At least two hundred firefighters were on the scene, as were Fire Commissioner Tom Von Essen and Police Commissioner Bernie Kerik.

Shocked by the sight of a man jumping from one of the top floors of the Trade Center, Giuliani was quickly briefed by the FDNY Chief of Department Pete Ganci, who was running the fire command post. According to Giuliani, Ganci told him, "My guys can save everybody below the fire [at the point of impact on the 94th floor], but I can't put a helicopter up there because the smoke is too dangerous." Chief Ganci perished in the collapse of the North Tower.<sup>3</sup>

Giuliani quickly saw that the city's Emergency Command Center, in the smaller adjoining building of 7 World Trade Center, was in danger. He gave the order to evacuate. "I immediately had two priorities," he explained. "We had to set up a new command center. And we had to find a way to communicate with people in the city."<sup>4</sup>

At about 9:50, the mayor set up an ad hoc command center at Barclay Street about a block away from the World Trade Center where his staff made contact with both the White House and the governor. No one yet thought the towers, which had survived the powerful 1993 blast, would collapse.

Just as Giuliani was about to talk with the White House, a powerful rumble was heard as the South Tower began to collapse, creating an architectural avalanche that reached 2.4 on the Richter scale. The mayor and his team momentarily appeared to be trapped in a Barclay Street building as the debris began to rain down. Giuliani, Kerik and Von Essen were led to safety by two janitors who

showed them a little-known passage out through the basement. Retreating to Chambers Street and West Broadway, Giuliani held an impromptu news conference interrupted by the collapse of the North Tower. As it crumpled, hundreds of firemen who had gone running up the towers as the civilians had been running down them were killed.\*

From the time the first plane hit to the collapse of the second tower at 10:26, all of one hundred minutes had elapsed.

For almost an hour, Giuliani and his staff entered what they described as "uncharted territory" as they worked to re-establish a command center in the midst of the chaos. City Hall, which seemed like it might be another target, was covered in ash. There was a concern, explained Giuliani aide J.P. Avlon, that Times Square and the United Nations might be the next targets. But Giuliani never gave voice to his fear that more attacks and perhaps hostage-taking might be on the way. Nor did he dwell on his own narrow escape from death or the likely deaths of people close to him such as fire department hero Terry Hatton, husband of his personal secretary Beth Hatton.

While Giuliani was in limbo, Deputy Mayor Rudy Washington was taking charge at City Hall. Acting on what he had learned about anti-terror procedures during the preparation for Y2K, Washington contacted the Pentagon, which ordered air cover for the city in case more attacks were on the way. He called in the Navy to guard against a sea-borne assault. Then he ordered all bridges and tunnels, the targets of an earlier thwarted attack, shut down. He also ordered heavy machinery (to move rubble) and medical supplies to be sent to Ground Zero. And then the second tower came down and he had to flee City Hall.<sup>5</sup>

Lower Manhattan's landlines were down and Giuliani's cell

\*The engineers who had built the Twin Towers had anticipated the possibility that the buildings might be hit by an airplane. They had designed its steel skeleton to withstand the shock of a Boeing 707 accidentally crashing into the building. What they hadn't anticipated was that planes fully loaded with jet fuel would intentionally crash into the buildings at high speed, creating an inferno. "The towers' innovative external engineering...redistributed the walls' structural forces around the gaping holes after the attacks and kept the buildings standing long enough for a vast majority of their occupants to escape.... Had the towers possessed conventional steel skeletons, they would have probably snapped and immediately fallen over, causing more catastrophic collateral damage than they did by crumpling onto their footprints." *New York Times* 12/17/03.

phones all but dead. At that moment, as he described it, "I grabbed Andrew Kirtzman [of New York 1] by the arm and said to him and other members of the press, 'Come with us. We'll talk as we walk.'" At one point, Kirtzman recalled, the Mayor bumped into a young black police officer: "she said something to him, and, like a father, he touched her on the cheek."<sup>6</sup>

Giuliani wanted to get on the air as soon as possible. Fearing further attacks, he wanted to lay out contingency plans for an orderly evacuation of lower Manhattan. At his best in a crisis, he was prepared to face the pressure on 9/11 as buildings buckled all around him. A little more than two hours after the second plane had hit, he went on NY1 in a talk that was picked up by all the other TV and radio outlets. In the calm voice of authority the city would hear frequently in the coming days, he said in the phone interview:

The first thing I'd like to do is to take this opportunity to everyone to remain calm and to the extent that they can to evacuate lower Manhattan.... The end result is going to be some horrendous number of lives lost...the only thing to do now is remain calm.

The heroism of the firefighters, police and Port Authority personnel, their steely resolve in the face of near-certain death, calmed the civilians trying to escape. Giuliani later testified before the 9/11 Commission that the first estimate of possible death he had been given suggested that as many as 12,000 to 15,000 of the roughly 25,000 people in the buildings were likely to have been killed. Thanks to the bravery of the rescuers, many of whom lost their own lives, fewer than 3,000 civilians died, all of whom had been in the high floors above where the airliners, fully loaded with jet fuel, had exploded into the buildings. Fewer than one hundred people who had been below the point of impact were murdered. The 9/11 commissioner Slade Gorton concluded that 99.5 percent of the people who could be saved had been saved.

Twenty-five thousand people were successfully evacuated from the Towers. It was the largest mass rescue in American history. But the 2,800 who died made Ground Zero the largest mass grave on American soil in the nation's history. The New York Fire Department had lost 778 men while fighting fires since its inception in 1865; it lost nearly half that many on September 11 alone. Some of the losses

probably could have been avoided had the fire and police radios been fully able to speak with one another. But that was as much a matter of human error and the limits of the available technology as of the problems in integrating the fire and police response to the crisis.\*

By noon, the mayor, assuming the role of a wartime leader, had gathered not only the police and fire commissioners, but also representatives of all of the city's emergency agencies, at the Police Academy on 20th Street, which served as makeshift command center. There, Giuliani replicated the crisp tenor of his 8 a.m. meetings. Congressman Gerald Nadler, usually a critic, "was amazed at the efficiency of the meeting.... It was magnificent really." The mayor went around the table to each agency head, "told them what the city needed from them, and it was immediately done." "That process," wrote Deputy Mayor Tony Coles, "created an immediate sense of discipline for a government that otherwise could have spun in confusion. And the mayor was able to use the media to reflect that sense of discipline and order to the city at large."<sup>7</sup>

At 2:35 p.m. he went on live TV. With Fire Commissioner Thomas Von Essen at his side, he asked people to remain calm and "to go about their lives as normal." At a 6 p.m. briefing he said, "the city is going to survive.... New York is still here. We've undergone tremendous losses, but New York is going to be here tomorrow morning, and this is the way of life that people want throughout the world."<sup>8</sup>

Time and again, through his union of anger, indignation and resolve, Giuliani, who returned to Ground Zero five times that fateful day, connected with the heart and soul of the city. He gave people

\*For all the low-level rivalry between police and fire, cooperation between the two services was probably never higher than when they were led on 9/11 by Bernard Kerik and Tom Von Essen, who got along famously. Kerik told the 9/11 Commission that radio problems in such an emergency are difficult to avoid. "Show me one radio that they will guarantee you this radio will go through that metal, it will go through the debris, it will go through the dust, and you will have 100 percent communications 100 percent of the time—there is none," said the former police commissioner.

But the very "regimental pride" and camaraderie that defined the internal life of the NYPD and FDNY and gave them their habits of virtue and courage were seen after the attack as problematic. The 9/11 Commission spoke of the Battle of the Badges as an important problem, but when asked to point to specific problems caused that day by the inter-service rivalry the expert witnesses were at a loss to point to any. The

both practical advice and reassurance at a time when many assumed more attacks were to come. Fearing that there might be attacks on innocent Arabs, he told the city that “hatred, prejudice, and anger are what caused this terrible tragedy, and the people of the city of New York should act differently.... We should act bravely. We should act in a tolerant way. We should go about our business, and we should show these people that they can’t stop us.”<sup>9</sup>

President Bush was in Florida reading to schoolchildren when the attacks on the World Trade Center and the Pentagon occurred. His first response was a less-than-inspiring speech on the night of September 11th. In his book *The Right Man*, David Frum, a former Bush speechwriter, acknowledged that the president “had given not one indication all day long of readiness for his terrible new responsibilities.” Bush, noted *Washington Post* columnist E.J. Dionne, “finally seized the moment three days after the attacks when he visited the Trade Center site and shouted to a rescue worker: ‘The people who knocked these buildings down will hear all of us soon.’ Until then, Rudy Giuliani was the de facto spokesman for a grateful nation.”<sup>10</sup>

Within a few days, Giuliani established a crisis command center on Pier 92 along the Hudson River, the site of the terrorism exercise that had been planned for September 12th. The ongoing rescue aside, Giuliani’s focus was on trying as quickly as possible to recreate a sense of normalcy. He pushed the theater owners to reopen Broadway on the 13th. He tried to get the stock market, located just a few blocks from Ground Zero, to reopen on the 12th. They couldn’t, but by mid-day on Friday the 15th they were back in business. “Every day,” explained Deputy Mayor Tony Coles, “the frozen zone around Ground Zero had to shrink, even if by only one block, or another street had to re-open to pedestrians.”

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Commission’s final report was critical of the FDNY: “Understandably lacking experience in responding to events of the magnitude of the World Trade Center attacks, the FDNY as an institution proved incapable of coordinating the numbers of units dispatched to different points within the 16-acre complex.” But it then went on to say, “It is clear that the lack of coordination (within the FDNY and between the NYPD and FDNY) did not affect adversely the evacuation of civilians.” But it did cost the lives of some—it’s impossible to specify how many—firefighters.

There had been failures on 9/11 of technology, human judgment and foresight. The 911 system, for example, had been overwhelmed by the volume of calls and unable to provide the trapped people calling from the Towers with useful information. But any massive undertaking, let alone a surprise attack, has its failures and so it was on 9/11.

When a shaken David Letterman returned to the air he captured the sentiments of most New Yorkers:

If you’re like me and you’re watching and you’re confused and depressed and irritated and angry and full of grief and you don’t know how to behave and you’re not sure what to do, because we’ve never been through this before, all you had to do at any moment was watch the mayor. Watch how this guy behaved. Watch how this guy conducted himself.... Rudolph Giuliani is the personification of courage.

Rick Hertzberg of the *New Yorker* described Giuliani as “exactly the leader the city needed. His demeanor—calm, frank, patient, tender, egoless, competent—was, as carried to the city and the world through the intimacy of television, profoundly reassuring.” His stature had grown so that “the governor defers to him. The president seems somehow inadequate beside him.”<sup>11</sup>

Revered in the aftermath of the attack, Giuliani looked ahead to the reconstruction. He began to give members of Congress and foreign dignitaries tours of the devastation at Ground Zero. He lectured visiting President Jacques Chirac on the importance of firmness in fighting terrorism and walked countless national politicians through the help New York would need to recover. Through it all he maintained an upbeat tone:

We’re mourning, we hurt and we’re going to hurt tomorrow, the next day, for a month, a year, and maybe forever. I think we are going to hurt forever. But we have to be optimistic. There’s no reason for us not to be optimistic. All the same things about our economy are there that were there before. We have a big problem to overcome. But overcoming the economic problems is the least of it. I mean I have no doubt the city is going to be economically stronger six months and a year from now.”<sup>12</sup>

Giuliani was an enormous comfort to the families of the bereaved firefighters and cops. At one of the many funerals he attended he spoke caringly to the children of the fallen hero:

Nobody can take your father from you. He is part of you. He helped make you. He and your mom are an integral part of who you are. All the wonderful things that everybody...for the rest of your life tells you about your dad, about how brave he was, what a decent man he was, how strong he was, how sensitive he was to the needs of people—all those things are inside you. They’re all part of you. People will say the same things about you ten, fifteen, twenty, twenty-five years from

now.... I can just see it in your family. This is a great family. He's with you—nobody can take him away from you. You have something lots of children don't have. You have the absolute, certain knowledge that your dad was a great man.<sup>13</sup>

The congregation was in tears.

In August, a month before the attack, fireman Michael Gorumba died fighting a blaze. In late September, Gorumba's sister Diane was scheduled to be married but there was no one to give her away since she had also lost her father and grandfather in the last year. The mayor had promised that he would stand in. The mayor kept that promise. With a wide grin that told the city that life went on, Giuliani walked Ms. Gorumba down the aisle.

## Running after Rudy— Part II

**T**he first hint that the mayoral campaign was about to resume came so subtly it barely made it into the newspapers. When Peter Vallone accompanied Giuliani at most 9/11 funerals, he became, all but officially, the designated heir. Mark Green was also at many of the funerals, but conspicuous by their absences were Alan Hevesi, the early front-runner who seemed to have dropped out of the race, and Freddy Ferrer. The Bronx boro president's absence was heatedly discussed in political circles and more than duly noted by the uniformed services.

For a moment it seemed that, if they could, New Yorkers would re-elect Giuliani by acclamation. Wherever he went, he was met by the chant of "four more years, four more years." One woman summed up the sentiment when she said of the other candidates, "They look so trivial, compared to our king." Asked by television interviewer Larry King if he would try to find a way around term limits, Giuliani responded with uncharacteristic indecision: "I don't know the right answer to that at this point."<sup>1</sup>

With the primary suspended on 9/11 coming up on Tuesday, September 25, Giuliani made his own sentiments plain not by what he said, but by what he did. He had Peter Vallone at his side at virtually every press conference and public event of those hectic days. People quipped that they were "surgically attached." But the Vallone campaign team, which was well to the candidate's left, was ambivalent about Giuliani. Vallone, who showed fatigue in the aftermath of 9/11, never stepped up to take full advantage of the situation.

Given Vallone's hesitation, the conventional wisdom was that Mark Green would win. Surely, it was argued, in the wake of 9/11

## City Hall after Rudy/ Rudy after City Hall

**M**ost mayors have departed from New York's City Hall defeated by the ungovernable city. Lindsay, Beame and Dinkins all left under a cloud. La Guardia left with his local achievements intact, but La Guardia, out of synch with the immediate post-war electoral mood, was already fading politically in his final term. Rudy Giuliani's departure was different. Rudy Giuliani, the merciless moderate, presided over a New York Renaissance. His heroism on 9/11 and his prescience on terrorism made him a rising national political figure.

There was a remarkable thematic unity to Giuliani's mayoralty. His inaugural speech in January of 1994 centered on the 1993 attack on the World Trade Center and on the promise of American life embodied in the story of his own immigrant family. He returned to those same themes eight years later in his farewell address delivered from the dais of St. Paul's Church, a stone's throw from where the World Trade Center had once stood. St. Paul's, where George Washington had prayed after he had been inaugurated as the first president, had, almost miraculously, emerged from the firestorm of 9/11 virtually untouched.

Giuliani explained to a crowd of loyalists but only a skeleton's crew of reporters that, when he took office, he "believed rightly or wrongly that we had one last chance to" save New York, "to really turn it around in a totally opposite direction from the direction it was going in. And that created a lot of hostility." There had been, he argued, a war of ideas between himself and those with different



“political philosophies and political creeds” whose ideologies “had the city headed in the wrong direction.” Giuliani discussed liberal judges who were “cruel” even as they thought they were being kind by exempting the homeless from all responsibility for their actions. On a more defensive note, he mocked the editorialists at the *New York Times* whose judgments he had almost systematically ignored, although on the question of the city’s long-term fiscal prospects, those critics were increasingly getting the better of the argument.

He made two pleas: One was to treat the World Trade Center site as “hallowed ground” like Gettysburg, Valley Forge and Normandy; the other was never to return to the anti-development, high-tax policies that had laid the city low. It was advice destined to be ignored. Bloomberg returned the city to the failed tax policies of the Dinkins years. Mayor Bloomberg backed development, although that often meant support of vast Rockefeller-like stadium projects with questionable economic benefits.

There seems to have been an implicit deal between Giuliani and Bloomberg in which the new mayor agreed, despite his liberal proclivities, not to tamper with Rudy’s policing and welfare reforms and in return the former mayor would refrain from criticizing his successor. Despite occasional sniping, the bargain has held up. Crime has continued to decline under Ray Kelly, Bloomberg’s capable police commissioner, and welfare backsliding has been limited.

But rarely has a mayor of a major city been less prepared to govern. Asked what he did in his first one hundred days, Bloomberg answered, “I got ready for the next thousand.” At the same stage, Giuliani had already spent years immersing himself in the details of government. In office he worked long hours keeping a close watch on day-to-day operations without losing sight of the big picture. His successor, far less skilled as a manager, has had neither an animating vision nor a direct hand in running the city’s maze of bureaucracies. In almost every major instance where Bloomberg has tried to make his own mark, his approach has failed.

Giuliani was able, at times, to embody higher purposes that transcended ordinary contradictions. Bloomberg has little of that policy magic. As befits an administration that came to power with electoral support from both Giuliani’s most ardent admirers and his most agitated enemies, the Bloomberg mayoralty attempted to use Dinkins-like means to attain Giuliani-like ends and has ended up a moderately competent muddle. The political neophyte’s conciliatory

attempt to reach out to every major interest group was initially well suited to the post-9/11 sense of trauma. Bloomberg’s we-can-all-do-business-together approach allowed him to distinguish himself from Giuliani’s driving, contentious style. But it came at the cost of cutting him off from the substance of his predecessor’s achievements. In a city where there is no countervailing power to the public sector, Giuliani generally governed by serving as the representative of widely-shared goals. Bloomberg, in savoring good relations with every pressure group, has had a hard time representing the city as a whole.

The problem, in part, was that while most public officials are consistently insincere, Bloomberg was sincerely inconsistent. He ran for office on a ringing no-new-taxes pledge. In his first major speech as mayor, he declared, “We cannot drive people and business out of New York. We cannot raise taxes.” But when faced with the post-9/11 recession, rather than look for spending cuts, he sharply raised property, sales, income and cigarette taxes, thus deepening and prolonging the city’s recession.\* And when the billionaire Bloomberg explained that he would be glad to pay the additional taxes, he only highlighted the vast differences between himself and most New Yorkers.

Like Rockefeller and Lindsay before him, Bloomberg is a liberal paternalist, who despite his own success story has a scant understanding of what’s needed to give people a chance to rise in life. When Mayor Bloomberg spoke of “opportunity,” he referred, as if it were still the age of *La Guardia*, to new public works projects. Bloomberg’s comments on Gotham as “a luxury city” for the very rich and the people servicing them was world’s apart from Giuliani’s vision of a city embracing the “genius of American life.”<sup>1</sup>

Giuliani’s attacks on the Board of Education set the stage for its elimination and gave his successor direct mayoral control of the schools. Given the opportunity to manage the city school system, Bloomberg and his School Chancellor Joel Klein imposed an oft-

\*Both Giuliani and Bloomberg faced massive budget holes but the city Bloomberg inherited in 2002 was in far better shape than the city Giuliani had taken over in 1994. Not only was crime under control, but, even with 9/11, the recession Bloomberg faced was shorter and less severe than the downturn of the early 1990s. Despite the destruction of the World Trade Center, the city in 2002 had 200,000 more jobs than in 1994.

failed curriculum straight out of the “progressive” education fever swamps of Columbia Teachers College. “The teacher,” says the progressive education slogan, “shouldn’t be a sage on the stage, but rather a guide on the side.” Klein has imposed the postmodern attack on knowledge, which assumes that students learn as much if not more from each other than from their teachers, on every classroom. The educational results have been predictably disappointing.\*

One area of continuity between the two very different mayors has brought Bloomberg considerable political grief. Giuliani generated heated opposition with his plan to move Yankee Stadium from the Bronx to the West Side of Manhattan. Bloomberg has scanted the rebuilding to try to construct a football stadium for the Jets on the same West Side location as part of a still-grander plan to bring the 2012 Olympics to New York. It is a plan about which New Yorkers, already burdened with a mammoth city debt, feel at best ambivalent. The idea of massive subsidies to a sports franchise at a time of rising taxes and subway fares has provided an opening for his 2005 re-election opponents. Win or lose in 2005, Bloomberg seems unlikely to escape Giuliani’s shadow.

Giuliani’s anti-crime achievements and his success in reviving neighborhoods will endure. But whereas La Guardia, New York’s other great twentieth-century mayor, was part of a broader reform movement, Giuliani *was* the reform movement. With its Prince gone, the city has reverted to its predictable pattern in which public-sector unions and their liberal activist and social service allies, temporarily divided in the Giuliani years, have reasserted their dominance. Not even the next fiscal crisis, which looks to be coming in the next few years, is likely to challenge the city’s archaic politics. Gotham’s fiscal follies are like those lead-weighted toy soldiers, which, even after being knocked over, always return to their original position. The upshot is that the chasm between the country and the city, which Giuliani narrowed and 9/11 closed temporarily, reopened as wide as ever during the intensely polarized 2004 presidential election.



In the aftermath of 9/11, Giuliani became a major national and even

\*The Klein/Bloomberg centralized curriculum fiasco made Giuliani’s call for vouchers all the more compelling.

international figure. On October 11, 2001, the country got to see what a Giuliani presidential run might look like when Prince Alwaleed Bin Talal of Saudi Arabia, the home country of fifteen of the nineteen 9/11 terrorists, presented the mayor with a check for \$10 million at a memorial service for the victims of the attack. American qualms about Saudi Arabia’s radical brand of Wahhabi Islam had long been quieted by similar exercises of checkbook diplomacy. But the Saudi Prince was in for a surprise. After giving Giuliani the check, he released a statement blaming the attack on the Arab-Israel conflict as the root cause of terrorism. Giuliani responded by rejecting both the check and its rationalization to cheers from the American public, which had already adopted him as a hero. Giuliani explained, “To suggest that there’s a justification for [the terrorist attacks] only invites this happening in the future.” There was, he insisted, no moral equivalence between liberal democracies like the U.S. and Israel and “those who condone terrorism.” He concluded that Alwaleed Bin Talal’s comments were not only “wrong, they’re part of the problem.”<sup>2</sup>

Dubbed America’s Mayor by Oprah Winfrey, knighted by the Queen of England, Giuliani’s stature was further enhanced by the corporate scandals of 2002, which created a demand for public rectitude that the former slayer of Wall Street dragons was only too happy to fill on behalf of his new firm, Giuliani Partners LLC. Giuliani Partners, which offered not only security but also management and public relations advice to everything from hospitals to horse racing operations to South American police forces as well as to pharmaceutical and communications companies, quickly moved into the top tier of American consulting companies.

In October 2002 his book *Leadership*, ostensibly a guide to management but in fact an unselfcritical replay of Rudy’s greatest hits, was published to enormous fanfare. The book, a turgid read, became a national bestseller as long rows of fans lined up around the country to have America’s matinee idol mayor sign their copy. In the 2002 election, his luster undiminished, a self-confident Giuliani, who now combed his hair straight back to reveal his balding pate, vigorously campaigned for Republicans in nineteen states as the GOP went on to recapture the U.S. Senate.

In the 2004 elections, Giuliani, with an eye on national office, emerged as a tough critic of Democratic presidential nominee John Kerry. Questioned about his swing from a relatively non-partisan

mayor who had once endorsed Mario Cuomo for Governor to GOP spokesman, Giuliani never explained his shift but merely responded, "Look, I'm a partisan. I am a Republican. I have always preferred to be straight-out with people."

Giuliani's speech, delivered at the August 2004 Republican Convention held in New York so that the Bush campaign could draw on the images of 9/11, was a smash hit. The speech wasn't as coherent as John McCain's well-reasoned case for the war in Iraq, but it was far more of a crowd-pleaser that completed Giuliani's move from the local to national stage. Giuliani appeared at the podium to a standing ovation while the crowd cheered "Rudy, Rudy." A smiling Giuliani responded, "It feels like a Yankees game."

The former mayor praised Kerry's service in Vietnam. But then in an implicit comparison with his own steadfastness, he mocked Kerry as someone who "at one point, declared himself an anti-war candidate. Now, he says he's pro-war. At this rate, with sixty-four days left, he still has time to change his position at least three or four more times." Giuliani brought the crowd to applause and laughter when he added, "Maybe this explains John Edwards' need for two Americas—one where John Kerry can vote for something and another where he can vote against the same thing."

Mixing humor with substance, he made the case for Bush's foreign policy better than the president himself was able to do. Pointing to how Bin Ladenism had grown out of the international appeasement of Palestinian thuggery, he condemned the way that "Terrorist acts [had] become a ticket to the international bargaining table." Then, in a reference to the incident in which he had Yasser Arafat unceremoniously tossed out of Lincoln Center, he continued, "How else to explain Yasser Arafat winning the Nobel Peace Prize when he was supporting a terrorist plague in the Middle East?... President Bush will not allow countries that appear to have ignored the lessons of history and failed for over thirty years to stand up to terrorists, to dissuade us from what is necessary for our defense."

Giuliani's rollicking New-York-style sarcastic speech connected with both the Madison Square Garden and television audiences. The headlines around the country echoed the *Daily News*, which reported, "America's Mayor hits a Homer for W."

Many in the crowd responded as did Laurie Forcier, a Wisconsin delegate. "This is a leader," she said, "This man knows how to lead. Every single one of us. We sat here like a church saying 'Yes!'"

"Yes!" But there were doubters on the religious right of the Republican Party who warned that if Giuliani with his liberal stands on abortion and gay rights were nominated for president by the 2008 GOP convention, "you would have a walkout by social conservatives."<sup>3</sup>

In America, the election season is now a matter of perpetual motion. Two days after George Bush's re-election, a McLaughlin & Associates poll found America's mayor had emerged as the clear front-runner for the 2008 Republican nomination with 30 percent, while John McCain was second with 18 percent. Giuliani's strong numbers raised the question of whether the mayoralty, even of New York, prepares a politician to be president. Running New York's vast bureaucracy certainly provides a more rigorous test of accountability than serving in the Senate. President Lyndon Johnson, in talking about his own troubles, once noted that not a sparrow falls in a city that the mayor isn't blamed for and then quipped, "When the burdens of the presidency seem unusually heavy, I always remind myself that it could be worse—I could be a mayor." A mayor and a president are similar in that the public relates to them in a far more personal, direct and even visceral manner than other elected offices.

Before the Republican convention, there had been speculation about Giuliani, first that he, his eye on the presidency, would take over the troubled Securities and Exchange Commission, then he would replace an ailing Dick Cheney as the vice-presidential nominee on the Republican ticket for 2004. After the election, when President Bush began a cabinet reshuffle, Giuliani was mentioned prominently as a possible Attorney General, Secretary of Homeland Security or even Secretary of State.

But in the end, Giuliani showed little interest in subordinating himself to the needs of the Bush administration. Consistent with his presidential ambitions, which date back to his mayoral re-election in 1997, he remained in the private sector, continuing to amass wealth as the CEO of Giuliani Partners, which a few months after the election acquired the investment-banking arm of the accounting giant Ernst & Young. The Bush administration acknowledged the former mayor's influence when it announced that his former police commissioner and business partner Bernard Kerik had, partly on Giuliani's recommendation, been picked for the Homeland Security post. It looked as if Giuliani would have the best of both worlds, personal wealth and his own voice inside the administration.

Kerik, who had gone to Iraq to train the police force and then

campaigns vigorously for the Bush re-election campaign, had established his own ties to the administration. He was a far cry from the usual buttoned-down cabinet secretaries. An administration insider explained the choice in personal terms: Bush, he said “likes Kerik. He gets a kick out of him.” The appointment was initially received with great enthusiasm across New York’s political spectrum. Kerik promised both to bring a beat cop’s broken windows sensibility to the post and to redirect anti-terror funds to New York, which had been badly shortchanged by Senate formulas that gave Wyoming, an unlikely target, nine times more in per capita aid than New York.\*

But it all quickly unraveled as Kerik withdrew his nomination on the grounds that he hadn’t paid the social security taxes for a nanny who may or may not have existed. This was followed in short order by revelations that the married Kerik had maintained a post-9/11 love nest for one of his two paramours in an apartment near Ground Zero that had been set aside for rescue workers. The underside of his life, including a close friendship with a reputedly mob-related contractor, continued to pour out. He was soon forced to resign from Giuliani Partners as well as the cabinet nomination.<sup>†</sup>

Although he didn’t seem to suffer in national popularity, Giuliani had badly damaged his relationship with the Bush clan, which will have a crucial say in who receives the 2008 GOP nomination. Giuliani’s judgment was also called into question and charges of cronyism were given credibility when it was revealed that Kerik was not given an updated background check when he had been appointed Police Commissioner in 2000. And worse yet for the New Yorker’s presidential hopes, his rivals for the nomination were given a way to go after Giuliani without even mentioning his social issue shifts on abortion and gay rights. Instead, references to cronyism, deceit, and sloppy background checks would serve to remind conservative voters of the enormous gap between the political culture of Gotham and the heartland. The Kerik scandal reminded politi-

\*The 12/16/03 *Washington Post* described how New York policing provided insights that led to the capture of Saddam Hussein: “Following a strategy similar to that pioneered by New York City police in the 1990s, who cracked down on ‘squeegee men’ only to discover they knew about far more serious criminals, Maj. Gen. Raymond T. Odierno said his analysts and commanders spent the summer building ‘link diagrams,’ graphics showing everyone related to Hussein by blood or tribe.”

<sup>†</sup> The next nominee, Michael Chertoff, first came to public attention as an assistant federal prosecutor working for Giuliani in the Justice Department.

cians of all stripes of why the New York mayoralty has long been a graveyard for political ambitions. No New York City mayor has gone on to higher office since the mid-nineteenth century.

Still, it’s far too early to count Giuliani out. His Machiavellian realism has given him the ability to play deftly with whatever hand he has been dealt. His extraordinary management skills, his evolving speaking abilities, his prescient stand on terrorism, and his appeal to moderate voters would all serve him well as a general election candidate. He could campaign as few others can on a record of extraordinary accomplishments and a demonstrated capacity to lead in a time of peril.

Giuliani achieved his success in New York by living up to Churchill’s maxim that courage is the most important political virtue because it guarantees all the others. Putting partisanship aside, he governed in the broad interests of the city regardless of whom he enraged. He’s become far more of a partisan Republican to try and win the 2008 GOP nomination. But even so, the man reviled by Gotham’s leftists as a ruthless “fascist” and criticized by heartland social conservatives as a “liberal” has an enormous appeal for a considerable majority of Americans.

His future as a hard-edged moderate may depend on whether the 2008 election is again fought on a polarized landscape in which left and right, blue and red, mobilize their bases, or whether the country, which is largely purple, turns back to the center. And that in turn will depend on which issues come to the fore. Another major terror attack will shake the political terrain, and the criticisms of Giuliani as “ruthless” may turn to his advantage as the public looks for a resolute leader. But in a calmer climate, his tendency, even in the name of good causes, to bulldoze people who get in his way, will be a liability.

In the meantime, one thing is certain: Giuliani, the student of management, will be scrutinizing the GOP nominating process and the operations of the federal bureaucracy, including our problematic intelligence services, with the same extraordinary attention to detail he gave to New York City government. Should he win the nomination, his mayoral record of promoting opportunity and upward mobility along with his clear-eyed prosecutorial sense of why “it is better to be feared than loved” by our Islamic enemies would make him a formidable candidate.

Peter Vallone  
 Rudy Washington  
 Carl Weisbrod  
 Susan Wiviot  
 Barbara Wolf  
 Deborah Wright  
 Kathy Wylde

In addition, there were others whose request for anonymity I have honored.



## Notes

### Part I

#### Chapter 1

- 1 Martin Shefter, "New York City's Fiscal Crisis: The Politics of Inflation and Retrenchment," *The Public Interest*, Summer 1977: 111.
- 2 Edward Robb Ellis, *The Epic of New York City: A Narrative History*, New York: Old Town Books, 1966: 549.
- 3 Thomas Kessner, *Fiorello H. La Guardia and the Making of Modern New York*, New York: McGraw-Hill, 1989: 241; Ronald Bayor, *Fiorello La Guardia: Ethnicity and Reform*, Chicago: Harlan Davidson, 1993: 29.
- 4 Alyn Brodsky, *The Great Mayor: Fiorello La Guardia and the Making of the City of New York*, New York: St. Martin's, 2003: 330.
- 5 Brodsky 552.
- 6 Kessner 291.
- 7 Brodsky 286; Robert Moses, *La Guardia, A Salute and a Memoir*, New York: Simon & Schuster, 1957: 30; Brodsky 292.
- 8 Kessner 338.
- 9 Kessner 300, 555.
- 10 Kessner 406, 407, 560.
- 11 Kessner 556.
- 12 Ibid.
- 13 Kessner 561.
- 14 Kessner 288.
- 15 Charles R. Morris, *The Cost of Good Intentions: New York City and the Liberal Experiment, 1960-1975*, New York: Norton, 1980: 22.
- 16 Vincent Cannato, *The Ungovernable City: John Lindsay and His Struggle to Save New York*, New York: Basic Books, 2001: 36.
- 17 Cannato 139.
- 18 Cannato 215, 223, 95.
- 19 Joshua Benjamin Freeman, *Working-Class New York: Life and Labor Since World War II*, New York: New Press, 2000: 264.
- 20 James Ring Adams, "Why New York City Went Broke," *Commentary*, May 1976.
- 21 Edward C. Banfield, review of Charles Abrams' *The City is the Frontier*, *Commentary*, March 1966.
- 22 *New York Times* 12/27/02.

- 23 Fred Siegel, *The Future Once Happened Here*, New York: The Free Press, 1997: 204.
- 24 Charles J. Orlebeke, *New Life at Ground Zero: New York, Home Ownership and the Future of American Cities*, Albany: Rockefeller Institute Press, 1997: 7.
- 25 Bernard J. Frieden and Lynne B. Sagalyn, *Downtown, Inc.: How America Rebuilds Cities*, Cambridge: MIT Press, 1989: 296.
- 26 Chris McNickle, *To Be Mayor of New York: Ethnic Politics in the City*, New York: Columbia University Press, 1993: 288.
- 27 Edward Koch, *Mayor: An Autobiography*, New York: Simon & Schuster, 1984.
- 28 Jerome Charyn, *Metropolis: New York as Myth, Marketplace, and Magical Land*, New York: Putnam, 1986: 205. On October 19, 1987 the stock market dropped 508 points or 22 %. It was the biggest one-day drop since 1929 and the start of the Great Depression.

#### Chapter 2

- 1 *New York Times* 9/12/93. Purdum stood out for his consistent effort to make race the only issue in the 1993 mayoral campaign. *Newsday* 11/11/89.
- 2 *Newsday* 10/3/93.
- 3 "A Victim of the Law of Unintended Consequences?," *The National Journal* 2/7/87; *Wall Street Journal* 1/19/87; *New York Times* 2/15/87.
- 4 *New York Magazine* 6/20/88. Reagan's personal popularity rebounded. He left office with a 68% approval rating, the highest of any president since WWII. But Reaganism as an approach to governing faltered.
- 5 *Newsweek* 9/5/88.
- 6 *Newsday* 5/10/87.
- 7 Ibid. The original Kerner Commission was a blue-ribbon panel created in the wake of the 1960s riots to investigate the causes of the outburst. New York Mayor John Lindsay was one of the key members of the commission, which concluded that white racism was the source of the violence.
- 8 *New York Times* 4/27/88.
- 9 *Newsday* 10/24/88.
- 10 "Is the ACLU a Threat to Freedom?," *New Politics*, 1970; *Wall Street Journal* 2/15/1990.
- 11 Jonathan Rieder, *Canarsie: The Jews and Italians of Brooklyn Against Liberalism*, Boston: Harvard University Press, 1985: 6.
- 12 *Newsday* 11/8/89.
- 13 Ibid. For Stein's remarks, see *Newsday* 9/4/89.
- 14 Roger Biles, "Mayor David Dinkins and the Politics of Race in New York City" in David R. Colburn and Jeffrey S. Adler, eds., *African-American Mayors: Race, Politics, and the American City*, Urbana: University of Illinois Press, 2001: 139.
- 15 Scott McConnell, "The Making of the Mayor," *Commentary*, February 1990.

- 16 Biles 135.
- 17 *Newsday* 8/29/89.
- 18 *New York Times* 4/7/91.
- 19 Andrew Kirtzman, *Rudy Giuliani: Emperor of the City*, New York: Harper Collins, 2001: 3.
- 20 Wayne Barrett, *Rudy!: An Investigative Biography of Rudolph Giuliani*, New York: Basic Books, 2000: 163.
- 21 Kirtzman 2.
- 22 George J. Marlin, *Fighting the Good Fight: A History of the New York Conservative Party*, South Bend: St. Augustine's Press, 2002: 281.
- 23 *New York Times* 9/9/89.
- 24 *Village Voice* 3/14/95.
- 25 Barrett 91.
- 26 Ibid.
- 27 Ibid. There was little anticipation from Giuliani that four years later he would adopt an innovative crime-fighting strategy. Both he and Dinkins declined to endorse a plan of the Transit Authority to keep vagrants from sleeping on the subways. Giuliani's big crime initiative was using drug forfeiture money to fund drug treatment.
- 28 *Newsday* 10/30/89, 11/5/89.
- 29 Kirtzman 27. Questions about Dinkins' capabilities weren't confined to the Giuliani campaign. A minority political leader said of him: "I think Dave's a wonderful guy, but let me tell you three things about him running for mayor: First, he'll make a lousy candidate. Second, in the unlikely event that he does win, he'll make a terrible mayor. Third, I will support him."
- 30 *Newsday* 11/5/89.
- 31 Ibid.
- 32 Kirtzman 27.
- 33 McConnell 38.
- 34 *Newsday* 11/8/89.
- 35 Ibid.
- 36 Ibid.

#### Chapter 3

- 1 *Newsday* 11/10/89.
- 2 Ibid.; *Newsday* 1/2/94.
- 3 "The Promise of the Peace Dividend," Municipal Archives.
- 4 Dick Kirschten, "More Problems, Less Clout," *The National Journal*, September 12, 1989.
- 5 *Daily News* 6/13/90; *Governing* April 1991.
- 6 Jim Sleeper, *The Closest of Strangers*, New York: Norton, 1990: 207-208. The "chop suey" comment was overheard by the author, who lives a short walk from the scene of the confrontation.
- 7 Tamar Jacoby, *Someone Else's House: America's Unfinished Struggle for Integration*, New York: Free Press, 1998: 205-206.
- 8 Tamar Jacoby, "Sonny Carson's Politics of Protest," *City Journal*, Summer 1991: 30, 31.

- 9 *Newsday* 2/13/90.
- 10 Ibid. For the notion that the boycott wasn't racial, see *Daily News* 5/11/90.
- 11 5/11/90 Dinkins speech, Municipal Archives; the court proceedings are recounted in Eli B. Silverman, *The NYPD Battles Crime*, Boston: Northeastern University Press, 1999: 74-75.
- 12 Sharpton wrote to Dinkins during the Church Avenue affair rebuking the mayor for saying that "I don't think most African-American agree with Al Sharpton." Sharpton warned Dinkins that while "I do not endorse violence and will not participate it . . . its likelihood is real and imminent." Municipal Archives.
- 13 Andrew Kirtzman, *Rudy Giuliani: Emperor of the City*, New York: Harper Collins, 2000: 34.
- 14 *New York Times* 12/10/89.
- 15 "Helplessly, Hopelessly Teaching," *Washington Post* 5/13/91.
- 16 "The Decline of New York," *Time*, 9/17/90; James Lardner and Thomas Reppetto, *NYPD: A City and Its Police*, New York: Henry Holt, 2000: 297.
- 17 Lardner and Reppetto.
- 18 Siegel, *The Future Once Happened Here*, New York: The Free Press, 1997: 222. The income tax surcharge required Albany's approval and Dinkins did work with Vallone to get Safe Streets/Safe City through the state legislature.
- 19 *Newsday* 10/3/93; *Newsday* 9/20/90.
- 20 Andres Torres, *Between Melting Pot and Mosaic*, Philadelphia: Temple University Press, 1994: 116. In 1975 when the city's massive short-term debt shut it out of the credit markets and made it impossible for New York to pay its bills, then-Governor Hugh Carey asked the Viennese-born Rohatyn of the French-American investment firm of Lazard Frères to take charge of the newly created MAC and the city's future. MAC, because it was guaranteed a portion of the city's share of sales tax revenues, was able to borrow money on Gotham's behalf. Rohatyn had backed the ill-fated campaign of Richard Ravitch in the 1989 election, but, already a close advisor to Governor Cuomo, he became a power in the Dinkins administration. Norman Steisel, his former junior associate at Lazard Frères, had been the sanitation commissioner under Mayor Koch and had been appointed as a Dinkins deputy mayor.
- 21 CBS 880, 8/18/90.
- 22 Felix Rohatyn, *New York Review of Books*, 11/8/90.
- 23 *Newsday* 3/7/91.
- 24 *Newsday* 1/31/92.
- 25 *Newsday* 12/10/91, 7/8/91. Gail Collins also quotes from a 1971 Rockefeller-commissioned report, which, in an attempt to embarrass Lindsay, concluded that "Not only are there clear indications that municipal services have deteriorated while promises go unfulfilled, but there is also a sensation of helplessness—a feeling that there is no one or no place in city government to go for assistance or redress, and that no one

- is held accountable. Productivity reports issue from City Hall, yet nothing appears to change. Increase in municipal employment has not meant an increase in service delivery." She was right, little had changed.
- 26 *New York Times* 9/14/90. "Cities," Dinkins told audiences, "are the soul of the nation," the places where "the gorgeous mosaic of America must be brought together again." At a time when the tech revolution of the 1990s was beginning to take off in exurbia, and while economists were unable to identify a single infant industry gestating in New York, Dinkins insisted that "Like a mighty engine, urban America pulls all of America into the future."
  - 27 The short book published on the summit was edited by Ronald Berkman, *In the National Interest: The 1990 Urban Summit: With Related Analyses, Transcript, and Papers*, New York: Twentieth Century Fund, 1992. For the "demands," see "35 Mayors Convene In New York City To Discuss Problems," *The Bond Buyer* 11/13/90; for "mad as hell," see *Boston Globe* 11/14/90.
  - 28 Municipal Archives.
  - 29 *New York Times* 3/31/91.
  - 30 Ibid.
  - 31 *New York Times* 5/17/92.
  - 32 *New York Post* 1/25/94.
  - 33 *New York Post* 11/11/94.
  - 34 *New York Times* 6/18/92.
  - 35 *Houston Chronicle* 8/9/92; *Newsday* 6/18/92.
  - 36 Siegel 216.
  - 37 Siegel 207.
  - 38 Siegel 242. The aide asked to remain anonymous.

#### Chapter 4

- 1 Richard M. Bernard, "The Death and Life of a Midwest Metropolis," in Richard M. Bernard, ed., *Snowbelt Cities*, Bloomington: Indiana University Press, 1990.
- 2 John Norquist, *Wisconsin Interest* Winter/Spring 1992.
- 3 Fred Siegel and Will Marshall, "Rediscovering Liberalism's Lost Tradition," *The New Democrat* September/October 1995.
- 4 Kenneth Baer, *Reinventing Democrats*, Lawrence: University Press of Kansas, 2000.
- 5 Attendees included Newt Gingrich, Sidney Blumenthal, Hernando De Soto, Julian Simon, Bruce Bartlett, Congressman Rob Andrews, Jim Pinkerton, Elaine Kamarck, E.J. Dionne, Joe Klein, William Galston, Peter Cove, Lee Bowes and Fred Siegel.
- 6 *New York Times* 12/31/93.
- 7 *New York Observer* 3/15/93.
- 8 *Newsday* 7/1/91.
- 9 *New York Times* 7/31/91.
- 10 Ibid.; *Newsday* 8/1/91.
- 11 *New York Times* 12/29/91.
- 12 *New York Times* 2/27/92.

## Chapter 5

- 1 *Village Voice* 5/11/93; *New York* 8/16/93.
- 2 *Newsday* 9/29/93.
- 3 *New York Times* 12/29/91.
- 4 *Newsday* 9/24/93.
- 5 *New York* 12/20/93; *Newsday* 5/27/93.
- 6 *Crain's* 2/17/92.
- 7 *Newsday* 9/11/02.
- 8 *New York Times* 4/9/93.
- 9 Ibid. The affable Stein was candid about his strengths and weaknesses. He once told the author, "I know I'm not the brightest guy around, but I'm smart enough to know what I don't know and surround myself with top-notch people."
- 10 Rudolph Giuliani, *Leadership*, New York: Miramax Books, 2002: 327-329.
- 11 *New York Times* 12/29/91.
- 12 *New York Post* 3/27/93.
- 13 *Daily News* 7/26/92; *Newsday* 9/01/93.
- 14 *Newsday* 2/22/92.
- 15 *New York Times* 10/8/93; *Daily News* 10/31/93; *Newsday* 9/2/93.
- 16 See Fred Siegel, *The Future Once Happened Here*, New York: The Free Press, 1997, Chapter 14, "The Moral Deregulation of Public Space," for a discussion of the concept of "victimless crime."
- 17 *Village Voice* 9/1/93.
- 18 The Industrial Policy Proposals were laid out by Chief Economist James Parrott for Deputy Mayor Barry Sullivan in a 180-page brief entitled "STRONG ECONOMY, STRONG CITY: JOBS FOR NEW YORKERS: Job Creation Strategies for the Global City of Opportunity"; *Newsday* 10/8/93. While the mayor spoke of a city industrial policy, the city had not even been able to maintain its much touted "Fields of Dreams," the forty vacant lots that had been, temporarily as it turned out, turned into ball fields at the cost of \$750,000. Revisiting the sites, *Newsday* found that many had returned to weeds while others had never been cleared in the first place.
- 19 *New York Magazine* 7/21/92.
- 20 *Newsday* 5/26/93.
- 21 *New York Times* 9/19/93.
- 22 *New Yorker* 11/18/93; *Newsday* 11/02/93. But in New York, as earlier in LA, when Clinton had endorsed a conventional liberal Asian-American Mike Woo over reformer Richard Riordan, the race card backfired.
- 23 *Newsday* 11/2/93; *Daily News* 11/31/93.
- 24 George Marlin, *Fighting the Good Fight: A History of the New York Conservative Party*, South Bend: St. Augustine Press, 2002: 311.
- 25 Zoltan L. Hajnal, "White Residents, Black Incumbents, and a Declining Racial Divide," *Wilson Quarterly*, Winter 2002.

## Chapter 6

- 1 Municipal Archives.

- 2 Andrew Kirtzman, *Rudy Giuliani: Emperor of the City*, New York: Harper Collins, 2000: 65.
- 3 *Washington Post* 12/27/94; David Axelrod, who had worked for Harold Washington in Chicago as well as Archer and White, argues that race mattered less because voters were driven by "an unparalleled sense of pragmatism.... They are in a battle for survival, looking for allies rather than enemies to blame."
- 4 *Boston Globe* 10/31/93.
- 5 James Atlas, "The Democrats Then and Now: The Daleys of Chicago," *New York Times Magazine*, 8/25/96.
- 6 *New York Times* 12/23/93.
- 7 *Newsday* 5/26/93. Donald Kummerfeld was a former NYC Budget Director and a former Executive Director of the New York State Emergency Financial Control Board
- 8 *New York Times* 12/20/93.
- 9 *New York Times* 12/4/93.
- 10 Municipal Archives.
- 11 *Washington Post*, 3/27/94.
- 12 *New York Times* 12/3/93.

## Part II

## Chapter 7

- 1 *New York Times Magazine*, 12/3/95; *New York Times* 6/2/96.
- 2 Jim Dwyer, David Kocieniewski, Deidre Murphy, Peg Tyre, *Two Seconds Under the World: Terror Comes to America—The Conspiracy Behind the World Trade Center Bombing*, New York: Crown Publishers, 1994: 72.
- 3 *New York Times* 1/5/94.
- 4 William Bratton with Peter Knobler, *The Turnaround: How America's Top Cop Reversed the Crime Epidemic*, New York, Random House, 1998: 314.
- 5 NY1 8/16/93; *New York Magazine* 12/20/93.
- 6 *New York Magazine* 1/15/93. "It's not like he didn't ask black people to help" during the campaign, noted the Reverend Calvin Butts of the Abyssinian Baptist Church, "but few would even return his calls." Butts told Giuliani, "I've got to go with Dinkins. That's the reality of it."
- 7 *New Yorker* 2/21/94.
- 8 For accounts of the 1972 Harlem mosque incident, see Vincent Cannato, *The Ungovernable City: John Lindsay and His Struggle to Save New York*, New York: Basic Books, 2001: 484-491, and Eli B. Silverman, *The NYPD Battles Crime*, Boston: Northeastern University Press, 1999: 21-24.
- 9 Bratton and Knobler xii, xiii.
- 10 *New York Times* 1/14/94.
- 11 *Newsday* 1/16/94, 1/17/94; *Daily News* 1/16/94, 1/17/94; Andrew Kirtzman, *Rudy Giuliani: Emperor of the City*, New York: Harper Collins, 2000: 71, 72.
- 12 Rudolph Giuliani, *Leadership*, New York: Miramax Books: 29.



- 13 Kirtzman 78, 79.
- 14 *New York Times* 12/19/03.
- 15 For more on Dyson's verbal gaffes, see *Rudy* 29.
- 16 Giuliani called for digital imaging not fingerprinting which only agitated his critics. Favorable comments came from developer Samuel Lefrak and former MAC chair Felix Rohatyn. Lefrak, who had deserted Gotham to build in Jersey City, was excited. "When," he asked, "was the last time a big-city mayor said he wanted to cut taxes? It's like 'man bites dog.'" Rohatyn liked the way Giuliani had "showed no favoritism" by stepping "on every toe in town." *Crain's* 2/7/94; Kirtzman 77.
- 17 *New York Post* 2/24/94.
- 18 *New York Post* 2/7/94; *Newsday* 2/7/94. *Newsday* and the *Daily News* chipped in with criticism of the chancellor's inability to gain control of school repair and construction with the former suggesting that it was time to take the responsibility for repairs "away from 110 Livingston Street and give it to the local school districts." For a brief account of how the Ocean Hill-Brownsville dispute bitterly divided the city, see Chapter 3 of Fred Siegel, *The Future Once Happened Here*, New York: The Free Press, 1997.
- 19 *Newsday*, 2/20/94, 1/29/94.
- 20 *Ibid.*
- 21 *Newsday* 10/6/93.
- 22 *Newsday* 10/6/93; *New York Times* 1/28/94; on the history of the HHC, see *Power Failure*.
- 23 *Newsday* 1/13/94; Kirtzman 78; *New York Times* 1/14/94.
- 24 *Newsday* 2/1/94.
- 25 *New York Post* 2/1/94; *Newsday* 6/11/94; *New York Post* 2/25/94. Norman was later indicted on a variety of charges including the sale of judicial decisions.
- 26 *Newsday* 6/16/94.
- 27 *Daily News* 3/18/94; *New York Observer* 2/8/94; *Newsday* 2/16/94, 3/18/94. The *Daily News* on 1/29/95 ran an expose of how Assemblyman Larry Seabrook's Youth Programs, which had received nearly \$400,000 in social services monies and an annual payroll of 114,000 yet had no programs and no children.
- 28 *New York Times* 2/29/94; *Newsday* 1/18/94.
- 29 *New York Times* 5/11/94; Keilin declined repeated requests for an interview.
- 30 *New York Times* 3/22/94, 5/11/94.
- 31 Kirtzman 78.
- 32 *New York Times* 4/9/94.
- 33 *Ibid.*
- 34 Kirtzman 78.
- 35 Kirtzman 81.

## Chapter 8

- 1 This account is based on a conversation with Moynihan and *New York Times* 12/7/93; *Daily News* 1/22/94 and 2/6/94.
- 2 *New York Times* 3/11/94.
- 3 "Clinton and the Crime Bill," *Governing*, October 1994; *New York Times* 8/13/96. In a thoughtful 1/18/95 speech on "The New Urban Agenda" given at Yale Law School, Giuliani discussed the failings of federalism as it had developed since the New Deal. The mayor complained that the federal government simultaneously drained \$8 to \$9 billion a year from New York while micromanaging cities in areas like policing and education where it wasn't competent to govern. Giuliani argued that the original version of President Clinton's Crime Bill "offered no help to cities which didn't need more police officers." "In fact," he went on, its offer of 25 percent of federal money to 75 percent of local dollars "could almost act as an inducement to spend money unwisely. Because sometimes the cities are led by the federal government to spend money on things they don't need because that's the money that's available." Not wanting to be embarrassed politically by turning down federal money, cities distort their priorities. But in the case of the new version of the Crime Bill supported by the mayors of Philadelphia, Los Angeles and New York, a city could spend its money on new technology or overtime, not more police officers. "That," he concluded, "is the kind of responsive relationship that has to exist between Washington and the cities." Giuliani wanted that same approach applied to education and welfare. Municipal Archives.
- Giuliani's argument here is similar to the case against federal micro-management laid out by then first-term Mayor Ed Koch in a famous article, "The Mandate Millstone," *The Public Interest* Fall 1980.
- 4 Charles Mann, "The Prose (and Poetry) of Mario Cuomo," *The Atlantic*, December 1990.
- 5 *New York Times* 9/23/90.
- 6 *Crain's* 9/20/90.
- 7 Wayne Barrett, *Rudy!: An Investigative Biography of Rudolph Giuliani*, New York: Basic Books: 2001: 200; Municipal Archives. Giuliani and Peter Powers had been in substantive budget discussions with Cuomo since shortly after the November 1993 election. They discussed giving the city's sales tax revenues to Albany in return for a state takeover of the city's Medicaid costs, but nothing came of it.
- 8 *New York Post* 10/24/94 and 10/26/94; *New York Magazine* 10/13/94.
- 9 *Newsday* 9/19/94. The article "One Interest Group at a Time" noted that Cuomo "will be sending letters to about 36,000 businesses in poor neighborhoods that haven't gotten economic development zones telling them they qualify for a wage tax credit for being part of a 'Zone equivalent area.'" In 1994 Pataki bitterly criticized Cuomo's tax-funded vote-buying, but by 2002, when Pataki ran for his third term in the

midst of a recession, he had adopted Cuomo's "Santa Claus" technique of traveling around the state to hand out money.

- 10 *New York Times* 10/27/94. Traveling with Cuomo, noted R.J. Apple of the *Times*, "you realize how much of his time the governor spends in telling stories about the past...what he does not talk about very much are his plans." Cuomo began to frequently quote from E.B. White's 1947 *Here is New York* on how Gotham "is to the nation what the church spire is to the village. The visible symbol of aspiration and faith, the white plume saying, 'This way is Up.'" The nostalgic Cuomo talked to reporters about the 1911 Triangle Shirtwaist fire, Apple went on, and called New York "the engine of the economy as if it were 1950 and California and Texas were still the sticks."
- 11 Andrew Kirtzman, *Rudy Giuliani: Emperor of the City*, New York: Harper Collins, 2000: 133.
- 12 Ibid.
- 13 Barrett 133; *Daily News* 10/7/94. Giuliani wasn't entirely wrong about Pataki. On October 5 of that year, Pataki held a news conference in front of mounds of regulations piled up as books—at which he was unable to name a single regulation he would abolish. Pataki did say that the city had seventeen state agencies authorized to issue permits and licenses in 1982—but by 1993 there were fifty-five such agencies, which had combined to file 536 "new" regulations and 68 "revised" regulations in the last year.
- 14 Kirtzman 134, 304; Barrett 304.
- 15 *New York Times* 11/6/94. A Penn and Schoen poll published just before the election anticipated the outcome. Two-thirds of all voters thought New York was headed in the wrong direction; 29 percent said they had become more conservative, 16 percent said they had become more liberal.
- 16 *New York Post* and *Newsday* 11/9/94.
- 17 Barrett 305.

#### Chapter 9

- 1 *Boston Globe* 6/13/93.
- 2 *New York Times* 3/17/94; *Daily News* 3/17/94.
- 3 Vincent Cannato, *The Ungovernable City: John Lindsay and His Struggle to Save New York*, New York: Basic Books, 2001: 477.
- 4 *Newsday* 5/3/91.
- 5 For a comparison of Chicago and New York, see Fred Siegel, "Two Tales of Policing," *The Public Interest*, Winter 1998 and *The Chicago Tribune* 5/3/2002.
- 6 Fred Siegel, *The Future Once Happened Here*, New York: The Free Press, 1997: 194.
- 7 Siegel 195.
- 8 Jack Maple, *The Crime Fighter: Putting the Bad Guys out of Business*, New York: Doubleday, 1999: 31; William Bratton with Peter Knobler, *The Turnaround: How America's Top Cop Reversed the Crime Epi-*

- demic*, New York: Random House, 1998: 253; Eli Silverman, *NYPD Battles Crime: Innovative Strategies in Policing*, Boston: Northeastern University Press, 1999: 87; Maple 33.
- 9 Bratton xxix; Silverman 22; Bratton 88.
  - 10 Maple 23.
  - 11 Maple 160; Silverman 142.
  - 12 Bratton 219.
  - 13 Silverman 108.
  - 14 Silverman 84; Bratton 224.
  - 15 *Boston Globe* 8/6/95.

#### Chapter 10

- 1 Professor Steve Savas, one of Pataki's 1993 campaign advisors, pioneered the case against Washington while working for the Reagan administration in "*The President's National Urban Policy Report*" (1982).
- 2 Municipal Archives. In his speech before the National Press Club on March 30, 1995, Giuliani invoked the oft-forgotten Tenth Amendment to the Constitution, which reserved for the states and the people all powers not specifically enumerated in the Constitution. He went on to call for a roll-back of the federal powers over localities that had been expanding ever since the 1930s when La Guardia and Roosevelt had forged an alliance. He then praised President Clinton, Senate Majority Leader Bob Dole and House Speaker Newt Gingrich for supported new legislation "prohibiting Congress from imposing new unfunded mandates" on the cities. But that, he said, was only a first step.
- 3 *New York Post* 3/16/94
- 4 *Daily News* 2/14/95.
- 5 *Newsday* 2/15/95; *New York* 3/27/95.
- 6 Fred Siegel, *The Future Once Happened Here*, New York: Free Press, 1997: 211.
- 7 *Newsday* 2/14/95; *New York Magazine* 4/29/95; Mark Green budget speech 2/28/95. Giuliani wasn't the only object of ire. *Times* columnist Bob Herbert responded to the Pataki budget cuts by warning that "the anger, the fear, and the despair are building." He concludes: "the rage will be like nothing we have seen before." Congressman Charles Rangel, displaced from his accustomed position in the majority, expressed some of that rage. He accused the Congressional Republicans of planning "economic genocide" after Gingrich spoke of dramatically downsizing the welfare state. Gingrich and other supporters of the "Contract with America," said Rangel, are "worse than Hitler." *New York Times* 2/4/95; *Newsday* 2/30/95.
- 8 *New York Times* 4/9/95.
- 9 NYU Conference on Workfare and the Future of Welfare Reform, 11/20/96.
- 10 NYC Department of Planning Report on Immigrant Incomes.
- 11 This paragraph is based on Roger Waldinger, *Still the Promised City?*

- African-Americans and New Immigrants in Postindustrial New York*, Cambridge: Harvard University Press, 1996.
- 12 *Daily News* 4/16/95.
  - 13 Siegel, *The Future Once Happened Here* 226. In Cuomo's first term, his wife Matilda repeatedly spoke out against teen pregnancy. For this she was derided by some members of the Cuomo administration for being Nancy Reagan-like.
  - 14 Municipal Archives, Speech before United Jewish Appeal 12/12/95.
  - 15 Ed Koch, *Mayor*, New York: Simon & Schuster, 1984: 143; *New York Times* 12/29/94.
  - 16 E. S. Savas, *Privatization in New York: If you can make it here you can make it anywhere*, Washington, DC: CQ Press, forthcoming: 41.
  - 17 *New York Times* 5/7/87; Douglas Besharov and Peter Germanis, *Work Experience in New York City* (unpublished manuscript), 2003: 72-74; Fred Siegel and Jan Rosenberg, "Taking Stock of Welfare Reform," *The New Democrat*, 3/1/99.
  - 18 *Newsday* 11/2/94. Supporters of the status quo like Councilman Steve DiBrienza argued that "We talk about all this waste, fraud and corruption, all this double-dipping, and there is very little hard data that it exists;" *Daily News* 12/15/94. Fourteen city workers got in on a fraud by funneling \$600,000 in phony assistance to 131 bogus welfare recipients.
  - 19 *New York Times* 9/22/96. Workfare was also an organizational success. A study done for Price Waterhouse by Steven Cohen, dean of the Columbia School of Public Affairs, "Managing Workfare, The Case of the Work Experience Program in the Parks Department," found that "the most significant lesson learned...is that a large-scale workfare program can be successfully implemented. The Department has absorbed a workforce of over 5,000 part-time, diverse, and untrained workers and put them to productive use with visible results."

#### Chapter 11

- 1 "The robbed at both ends" quote comes from a merchant interviewed for a 1993 Giuliani campaign commercial; for a discussion of the paradox of regulation that caught the eye of President Clinton, who feted its author, see Philip Howard, *The Death of Common Sense*, New York: Random House, 1994. Most of Howard's examples come from Gotham.
- 2 *New York Times* 10/14/93.
- 3 *Ibid.*; *Newsday* 3/25/95.
- 4 *New York Times* 4/19/95; *Newsday* 7/23/92; *New York Observer* 3/14/94.
- 5 *Newsday* 3/24/94; also the author's own experience.
- 6 Municipal Archives; *New York Times* 6/28/95; Katz's was the location of the famous orgasm scene in *When Harry Met Sally*.
- 7 *Newsday* 11/18/95.
- 8 James B. Jacobs (with Coleen Friel and Robert Radick), *Gotham Unbound: How New York Was Liberated from the Grip of Organized*

- Crime*, New York: NYU Press, 1999: 154. Jacobs also describes how the mob used the Fulton Fish Market to move guns and drugs.
- 9 *New York Times* 3/27/94.
  - 10 Andrew Kirtzman, *Rudy Giuliani: Emperor of the City*, New York: Harper Collins, 2000: 164.
  - 11 Jacobs 162.
  - 12 This section draws on Jacobs' fine *Gotham Unbound*. Fear of driving out small carters proved unfounded. Several hundred small carters remained in New York even with the arrival of the national companies. Municipal Archives, an 11/14/96 letter to the mayor from Martin Sokol, president of a lower Manhattan leather goods company bearing his name, substantiates Mastro's claim. Upon learning that he was going to "save each month about \$460 dollars on garbage removal," Sokol thanked Giuliani for "a de facto huge tax cut."
  - 13 *Crain's* 3/20/95. The center was named after the last of the major New York liberal Republicans, Senator Jacob Javits.
  - 14 *New York Times* 3/19/95. Rob Rosenfeld is the author's nephew. A show manager concurred with Rosenfeld. He explained anonymously, "Chicago is no labor paradise, [but] at least the politicians and unions there realize they have to stay competitive. In New York the unions did what they wanted, and until this year [1995]," he said speaking of Giuliani and Pataki, "we couldn't get anyone at City Hall or Albany to stand up for us."
  - 15 *New York Times* 5/7/95.
  - 16 *New York Post* 7/6/95; *Daily News* 5/2/95. As a small consolation, the Philadelphia convention hall situation may have been even worse and largely persists to this day under the ethically challenged Mayor John Street.
  - 17 *New York Times* 2/7/96.
  - 18 *Newsday* 4/11/94.
  - 19 *New York Observer* 9/11/95; *Daily News* 2/27/94. High-level mayoral aides Tony Coles, Katy Lapp, and Giuliani confidant Denny Young worked with Vallone's staff to overcome the objections of the officers in the heavily African-American Housing Police by assuring them that they would be given suitable positions in the NYPD.
  - 20 *Daily News* 4/10/94.

#### Chapter 12

- 1 *Guardian* 2/29/06.
- 2 *Wall Street Journal* 8/22/96, 6/10/96; *Commentary*, December 1995.
- 3 John Tierney, "The Holy Terror," *New York Times Magazine* 12/3/95.
- 4 *Time* 1/1/02.
- 5 *New York Times* 2/9/95, 3/9/95.
- 6 Andrew Kirtzman, *Rudy Giuliani: Emperor of the City*, New York: Harper Collins, 2000: 162-163.
- 7 *New York Times* 12/3/95.
- 8 *New York Times* 7/4/94.
- 9 Kirtzman 123.

- 10 Kirtzman 142.
- 11 Wayne Barrett, *Rudy!: An Investigative Biography of Rudolph Giuliani*, New York: Basic Books, 2001: 408.
- 12 William Bratton, *The Turnaround: How America's Top Cop Reversed the Crime Epidemic*, New York: Random House, 1998: 283.
- 13 *Time* 1/1/02.
- 14 *Newsday* 11/18/94.
- 15 *Daily News* 9/2/93.
- 16 *Newsday* 6/24/94.
- 17 *New York Times* 12/18/95; *Newsday* 1/15/94.
- 18 *Time* 1/1/2002.
- 19 *New York Times* 6/16/95.
- 20 *New York Times* 6/22/95.
- 21 *New York Times* 4/21/96.
- 22 *Insight* 7/21/97. The story of the Times Square revival is told in Lynne B. Sagalyn, *Times Square Roulette: Remaking the City Icon*, Cambridge: MIT Press, 2003. Mayronne's role is discussed by Bill Stern, "The Times Square Revival," *City Journal* Fall 1999.
- 23 Samuel R. Delany, *Times Square Red, Times Square Blue*, New York: NYU, 1999: 10.

#### Chapter 13

- 1 Evan Mandery, "The Campaign—Rudy Giuliani, Ruth Messinger, Al Sharpton, and the Race to Be Mayor of New York City," Boulder: Westview Press, 1999: 126.
- 2 *New York Times* 9/12/93.
- 3 *Daily News* 5/24/94.
- 4 *Ibid.*
- 5 Tamar Jacoby and Fred Siegel "Growing the Inner City," *The New Republic*, 9/23/99.
- 6 *Governing*, August 1995.
- 7 *Crain's* 1/23/95.
- 8 *Crain's* 3/18/96.
- 9 *National Review* 11/10/97.
- 10 Fred Siegel, *The Future Once Happened Here*, New York: Free Press, 1997, 233-34.
- 11 *New York Magazine* 1/17/97; *New York Times* 3/2/8/97.
- 12 *New York Magazine* 1/27/97.
- 13 *Ibid.*

#### Chapter 14

- 1 *Daily News* 9/17/97.
- 2 *Crain's* 9/18/95; *New York Post* 1/15/97; Municipal Archives. In a speech before the heavily African-American Urban League, Giuliani denounced Patrick Buchanan as a "figure...whose message is one of division, of intolerance and of fear." 3/26/96 Address to the Urban League. *Crain's* 9/18/95; *New York Post* 1/15/97.

- 3 *New York Post* 2/14/97.
- 4 *The Hotline* 2/14/97.
- 5 Andrew Kirtzman, *Rudy Giuliani: Emperor of the City*, New York: Harper Collins, 2000: 196.
- 6 *Daily News* 5/19/96.
- 7 Evan Mandery, *The Campaign: Rudy Giuliani, Ruth Messinger, Al Sharpton, and the Race to Be Mayor of New York City*, Boulder: Westview, 1999: 39.
- 8 *Newsday* 2/15/97.
- 9 *New York Post* 1/21/97.
- 10 John Avlon, *Independent Nation: How the Vital Center is Changing American Politics*, New York: Harmony Books, 2004: 307.
- 11 *Ibid.*
- 12 *New York Post* 7/12/97.
- 13 *New York Times* 7/18/97. Messinger's belated recognition of fiscal realities did nothing to endear her to the city unions. When she remedied her moves toward fiscal conservatism with talk of achieving parity with the higher salaries of suburban teachers and police-officers, the *Times* again took a shot across her bow: "The talk about parity with the suburbs may just be Ms. Messinger's attempt to mend her bridges with a little old-fashioned Democratic pandering. If so, she is playing right into conservative claims that liberals can no longer govern New York City."
- 14 *New York Post* 10/4/97. For all his talk about "poverty pimps," Koch made political peace with the social service industry because its leaders, like Ramon Velez of the Bronx, were such a rich source of votes. Giuliani followed the same script as Koch. He sent city money to the poverty empire of Velez—once a subject of a Giuliani-led criminal investigation—in return for political support.
- 15 *Ibid.*
- 16 *Daily News* 11/20/95.
- 17 *Village Voice* 10/21/97. The author and his family live in the 70th Precinct.
- 18 *New Yorker* 9/8/97.
- 19 Mandery 126, 272.
- 20 *New York Times* 9/21/97; *New York Post* 9/21/97.
- 21 Kirtzman 293; *New York Post* 6/19/03.
- 22 Kirtzman 317.
- 23 *Washington Post* 9/9/97.
- 24 *New York Observer* 10/27/97; Mandery 265; *New York Magazine* 11/17/97.
- 25 *New York* 11/17/97; *New York Post* 11/20/97. Clintonian moderation was just a passing phase for Ferrer, who reappeared in 2001 as Sharpton's candidate for mayor.
- 26 *New York Post* 9/20/97. Even before the results were in, Sharpton, who had given Messinger only token support, was railing against the mayoral ambitions of City Comptroller Alan Hevesi, a Democrat from Queens who was on good terms with Giuliani and who, like Sharpton,

had given Messinger only token support. The Rev denounced Hevesi as a "little Giuliani-lite," a crack Ferrer would repeat during his own 2001 mayoral campaign. Hevesi's real offense was to say that "Sharpton has exploited anger and hatred." Sharpton said he planned to call a black and Latino summit within a week to decide how to punish Hevesi before he would be willing to rally his supporters behind Messinger. "Progressive Democrats need to meet before I make another step. We've got people on the ticket that have openly [collaborated] with Rudy Giuliani."

27 *Village Voice* 10/21/97.

### Part III

#### Chapter 15

- 1 *Daily News* 12/20/97.
- 2 The author was present as Clarke was interviewed by radio reporters following the address.
- 3 *New York Times* 12/20/98.
- 4 *New York Times* 1/13/98.
- 5 *Daily News* 1/13/98.
- 6 Ibid.
- 7 *New York Post* 9/25/96.
- 8 *New York* 1/26/98; *New York Post* 5/21/98.
- 9 *New York Times* 8/12/98; *Daily News* 9/12/98.
- 10 *New York Post* 8/7/98.
- 11 *Daily News* 8/12/98; *New York Post* 8/27/98; *Daily News* 8/27/98.
- 12 *New York Post* 8/18/98.
- 13 *Daily News* 6/2/98.
- 14 The preceding paragraphs draw heavily on Neil Sullivan, *The Diamond in the Bronx: Yankee Stadium and the Politics of New York*, Oxford: Oxford University Press, 2001.
- 15 *New York Times* 6/18/98; *Gotham Gazette* 9/12/01; *New York Times* 6/15/98.
- 16 *New York Times* 6/15/98; Murray Weiss, *The Man Who Warned America: The Life and Death of John O'Neill, the FBI's Embattled Counterterrorism Warrior*, New York: Regan Books, 2003: 191.

#### Chapter 16

- 1 *New York Times* 12/6/98
- 2 Ibid.
- 3 *New York Magazine* 1/25/99.
- 4 *New York Magazine* 4/19/99.
- 5 *Village Voice* 2/23/00.
- 6 *New York Post* 3/7/99.
- 7 Andrew Kirtzman, *Rudy Giuliani: Emperor of the City*, New York: Harper Collins, 2000: 234.
- 8 *New York Times* 4/2/99.
- 9 Kirtzman 244.
- 10 *The New Republic* 4/19/99.

- 11 *The National Review* 4/19/99.
- 12 *New York Post* 4/31/99.
- 13 Kirtzman 252.
- 14 *New York Post* 4/18/99; *New York Observer* 4/26/99; Kirtzman 253.

#### Chapter 17

- 1 *Newsday* 3/24/95.
- 2 From the appendix of Benno Schmidt, et al., "An Institution Adrift," 17.
- 3 *Daily News* 11/23/97. Asked by the author at a forum if there was a tension between open admissions and academic achievement, Sohmer replied that in practice that was the case but in principle the tension could be resolved.
- 4 *Daily News* 7/14/94.
- 5 *Daily News* 5/21/95.
- 6 Municipal Archives, 1/24/98 budget address.
- 7 Municipal Archives 12/16/03 speech. There was an element of improvement Schmidt didn't mention, but which was immediately visible to visitors to the City College campus in Harlem. In the early 1990s, guests coming to City College's Great Hall (modeled on Oxford's) for evening events saw the campus as a collection of graffiti-ridden decaying buildings. Like much of New York at night, it was largely deserted and scary. A decade later, the graffiti were gone, the buildings had been repaired and visitors to the Great Hall found the welcoming sight of a bustling campus.

#### Chapter 18

- 1 *New York Observer* 10/4/99; *Daily News* 9/16/99.
- 2 *Daily News* 9/16/99; *The National Review* 4/3/00.
- 3 *Daily News* 9/23/99.
- 4 *Daily News* 8/8/99.
- 5 Ibid.
- 6 *New York Times* 11/16/99.
- 7 *New York Post* 11/3/99.

#### Chapter 19

- 1 Tom Manigold and Jeff Goldberg, *Plague Wars: A True Story of Biological Warfare*, London: Macmillan, 1999: 353-354.
- 2 Hauer's testimony on 5/19/04 before the 9/11 Commission; Clarke would go on to fame for his 2004 book *Against All Enemies*, an attack on the Bush administration's anti-terror policies. Information from the FBI's John O'Neill led the city to erect barriers and tighten security around the stock exchange, federal buildings and City Hall.
- 3 Councilman Victor Robles, Chair of the Health Committee, 10/12/99 City Council public hearing.
- 4 *Newsday*, 3/31/97.
- 5 *New York Times* 12/14/99.
- 6 *New York Times* 12/27/99.

## Chapter 20

- 1 *New York Times* 1/14/00.
- 2 *New York Post* 12/11/00. Earlier in the week, Giuliani had told an Association for the Betterment of New York breakfast that Vallone deserved to “share the credit for the \$3 billion plus in tax cuts since 1994.”
- 3 Glynis Daniels and Michael Schill, “The State of New York Housing and Neighborhoods, 2001,” New York University Furman Center for Real Estate and Public Policy.
- 4 *New York Observer* 12/17/01.
- 5 *New York Observer* 1/10/02. Less visible but very present were NASDAQ, MTV, Starmedia Network, Oxygen.com and Earthweb.
- 6 *New York Observer* 3/13/00.
- 7 *New York Post* 2/29/02; *Newsday* 3/3/00.
- 8 “The Death of Malcolm Ferguson: An Investigative Report,” Office of the Bronx District Attorney, June 10, 2000.
- 9 *New York Post* 3/18/20, 3/20/00, 3/24/00.
- 10 Elizabeth Kolbert, *The Prophet of Love and Other Tales of Power and Deceit*, New York: Bloomsbury, 2004: 43. When Hanover won a court order preventing Nathan from attending city functions at Gracie Mansion, Giuliani’s divorce lawyer, Raoul Felder, attacked Hanover as an “uncaring mother” with “twisted motives.”
- 11 Ibid.
- 12 *New York Times* 4/1/00. “Antidrug Tactics Exact Price On a Neighborhood, Many Say.” The neighborhood on which Giuliani supposedly tried to impose the mores of Mayberry is the author’s own. As written by the pen of *Times* reporter David Barstow, a small-time heroin dealer becomes a friendly family man unfairly hounded out of the city by Giuliani’s intolerance. The gullible Barstow referred to one alleged victim of police harassment as a “gregarious youth,” though he was, in fact, a notorious thug wanted for slashing a man’s throat on the subway.
- 13 *Newsday* 6/17/00.

## Chapter 21

- 1 For a discussion of the courts and prisoners’ rights, see Ross Sandler and David Schoenbrod, “Prison Break,” *City Journal*, Summer 1996.
- 2 The previous paragraph draws on Kerik’s memoir, *The Lost Son: A Life in Pursuit of Justice*, New York: Regan Books, 2001: 257, 262, 274-277. Kerik doesn’t mention either the affair he had with a corrections employee or his personal connections to shady characters.
- 3 *New York Post* 8/20/2000. Questions, however, were raised about his use of the revenues from a tax-exempt foundation used to collect rebates from cigarette purchases by prisoners. The use of the money—much of which was ear-marked for counseling violent prisoners—was never clearly accounted for. *Daily News* 2/9/03.
- 4 Julia Vitullo-Martin, “Commissioner Bernard Kerik and the Three Priorities,” *Gotham Gazette* 3/3/01.

- 5 Julia Vitullo-Martin, “The Heritage of Amadou Diallo,” *Gotham Gazette*, 1/25/01.
- 6 *New York Post* 6/24/01.
- 7 *New York Post* 5/01/01.
- 8 *Chicago Tribune* 12/21/01; *Newsday* 6/29/01.
- 9 Jennifer Wynn, *Inside Rikers: Stories from the World’s Largest Penal Colony*, New York: St. Martin’s, 2001: xii, 35. In a revealing quote about the pressures of living in a meritocracy, one inmate told Wynn, “I live in the best fuckin’ country in the world and I keep asking myself, Why can’t I make it?”
- 10 *Daily News* 2/11/1998. Welfare reform in Wisconsin had begun in 1986 with bipartisan backing that included Republican Governor Tommy Thompson and Milwaukee’s reform Democratic Mayor John Norquist. The bipartisan deal was based on a combination of tough work requirements and generous financial and in-kind support to bring people into the workforce. Strongly paternalist, the program worked with clients to reshape their lives so they could re-enter mainstream society. A good account of the Wisconsin program and its paternalism can be found in Larry Mead, “The Culture of Welfare Reform,” *The Public Interest*, Fall 2002.
- 11 Jan Rosenberg and Fred Siegel, “Welfare Reform So Far,” *The New Democrat*, January/February 1999.
- 12 Some social service groups like the Doe Fund welcomed the change in outlook. Genuinely committed to helping the poor, they thrived under the new result-oriented rules. JobStat, Turner’s version of CompStat, measured the performance of the non-profit social service contractors. JobStat is discussed in Swati Desai and Michael Wiseman’s “Inside the Help Factory: Public Assistance, Process, Outcome and Opportunity in New York City,” a paper prepared for the Association for Public Policy and Management’s November 2002 conference.
- 13 Even the usually astute Moynihan predicted calamity in a speech before the Senate (reprinted in the 1/11/96 *New York Review of Books* as “Congress Builds a Coffin”). Work was a considerable source of self-respect among former recipients. But these 126 interviews, part of a working paper done for the city by respected social scientists including Lawrence Mead, made too small a sample to satisfy the skeptics, let alone the critics. The study was “Leaving Welfare: Findings from a Survey of Former NYC Welfare Recipients” by Andrew Bush, Swati Desai and Lawrence Mead, HRA Working Paper 98-01 September 1998.
- 14 Turner was described by welfare expert Douglas Besharov of the University of Maryland as “a fabulous manager.” See also Douglas Besharov and Peter Germanis in “Work Experience in NYC: Successful Implementation, Uncertain Impact and Lessons for TANF’s Participation Requirements.” Besharov and Germanis say that “almost every objective observer agrees that the implementation of NYC’s welfare reform program was a tremendous administrative and management accomplishment.... It is widely seen as a model.”

- 15 *New York Post* 8/8/01.
- 16 Mark Levitan and Robin Gluck, "Mother Work: Employment, Earnings and Poverty in the Age of Welfare Reform," done for the Community Service Society of New York: 3. In a similar vein a 2002 Rockefeller Institute study, "Leaving Welfare Post-TANF," found that of those who left welfare in the late 1990s, "48% of the former recipients considered themselves much better off, and another 23% said somewhat better off. And the ones with jobs had more than twice the income, \$1,965 per month, on average as those who went back on welfare."
- 17 Paul Grogan and Tony Proscio. *Comeback Cities: A Blueprint for Urban Neighborhood Revival*. Boulder: Westview Press, 2000: 13. A similar sentiment came from Joe Hall, the spokesman for a Bronx Community Development Corporation, quoted in a June 4, 1996 *U.S. News & World Report* editorial. Referring to the decline of the Bronx as "the Destruction," Hall insisted that "the only way to get back where we were before the Destruction is to make sure we never again have a reliance on government funding built on social service models—those that create dependency." Revival, he argued, can be built on homeownership, private-sector jobs and community self-help that minimizes the role of "credentialed professionals."

#### Chapter 22

- 1 *New York Times* 8/15/01.
- 2 NY1 Poll 3/5/01.
- 3 *New York Times Magazine* 2/11/01.
- 4 *New York Times* 3/21/01.
- 5 *Forward* 1/19/01.
- 6 *New York Times* 6/19/01.
- 7 *Newsday* 2/15/01; *New York Post* 7/14/01.
- 8 *New York Post* 2/17/01.
- 9 *New York Magazine* 2/26/01.
- 10 Vallone interviewed by Gabe Pressman 9/9/01. Writing in *New York* on 2/26/01, Michael Tomasky described Vallone as presenting "an admirably universalist appeal."
- 11 1994 "October Plan" issued by the Office of Budget and Management, 3. City spending on Medicaid grew from \$2.5 billion dollars in 1998 to \$3.7 billion in 2002. In the same period the city went from 21 to 30 percent of its population on Medicaid.
- 12 *New York Times* 1/28/2000.
- 13 Jim Chapin memo to the Green campaign.

#### Part IV

##### Chapter 23

- 1 *New York Magazine* 10/15/01.
- 2 9/11 Commission hearing held in New York on 5/18/04. The announcement came from the protocols established after studying the problems of the 1993 World Trade Center evacuation. In 1993 many of the

- injuries had been caused by the rush to evacuate, which also hampered emergency workers. In the future, the Port Authority, which owned the Towers, decided it would "defend in place" against fires rather than evacuate as quickly as possible. But the lessons of 1993 did not apply to the situation in 2001.
- 3 Giuliani testimony before 9/11 Commission, 5/19/04. In the wake of the 1993 attack the Port Authority had spent \$100 million on upgrading its security measures. In 1993 cops and firefighters had a hard time communicating by radio, so the PA had installed a repeater system that amplified and extended the range of radio signals. In what was the most important communication failure on 9/11, human error led the firefighters to assume that the repeater wasn't working in the South Tower, thus limiting their ability to communicate with their commanders. When the words MAYDAY, MAYDAY, MAYDAY were sent out at 9:00 as a signal to evacuate, some of the firefighters who had been climbing the stairs didn't hear the call.
  - 4 Rudolph Giuliani, *Leadership*, New York: Hyperion, 2002: 6.
  - 5 *Daily News* 5/20/04.
  - 6 *Leadership*, 11; *New Yorker* 9/17/01.
  - 7 Steven Cohen, William Eimicke and Jessica Horan, "Catastrophe and the Public Service: A Case Study of the Government Response to the Destruction of the World Trade Center," *Public Administration Review* September 2002; *New York Post* 9/9/02.
  - 8 Andrew Kirtzman, *Rudy Giuliani: Emperor of the City*, New York: Perennial, 2002: 303-304.
  - 9 *New Yorker* 9/17/01; *Washington Post* 5/21/04. Roy Jenkins, a left-of-center British politician who had written a biography of Churchill that had influenced Giuliani, told *Time* that, in the aftermath of 9/11, "What Giuliani succeeded in doing is what Churchill succeeded in doing in the dreadful summer of 1940: he managed to create an illusion that we were bound to win."
  - 10 *Washington Post* 5/21/04.
  - 11 *New Yorker* 10/8/01; *New York Times* 9/20/01.
  - 12 *Washington Post* 8/14/01.
  - 13 *Time* 1/1/02.

##### Chapter 24

- 1 *New York Times* 9/20/01.
- 2 *New York Times* 10/9/01, 10/30/01.
- 3 House speaker Dennis Hastert of Illinois found that a \$20 billion package "was not an easy sell" among conservative Republicans, many of whom were openly hostile to New York and its interests. Hastert himself complained New Yorkers engaged in an "unseemly scramble" for money, and in fact when applying for the promised emergency 9/11 aid, Governor Pataki sent in what amounted to a wishlist for state projects, many of them upstate and not in the least connected to anti-terror measures or the attack; *New York Post* 8/25/04.

- 4 *New York Times* 10/10/01.
- 5 *Newsday* 9/29/01; *New York Times* 9/30/01. Explaining his decision to support an extension for Giuliani, Green unselfishly declared, "There aren't many examples of the greatest criminal act inflicted on a city ever before.... And balancing everything, the most urgent thing was not precedent, but was unity."
- 6 *Newsday* 10/8/01.
- 7 *Newsday* 9/29/01.
- 8 *New York Magazine* 10/8/01; WLIB 10/1/1. Koch was also motivated by an intense personal dislike for Green, who, whatever his failings, responded with honor and integrity to the World Trade Center attack.
- 9 *Crain's* 10/1/01; *New York Times* 10/4/01. In their first debate Ferrer repeated his promise to use federal recovery money to build up sections of the Bronx and Staten Island. The "danger" of that approach, argued a *New York Times* editorial, is "that Mr. Ferrer's plan would reduce the city's chances of getting needed federal aid." Some Republicans in Congress drew the same conclusion as the *Times*: "There are some people out there who say 'Whoa, this is a chance to get some money,'" Rep. Bill Young (R-Fla.), told the *New York Post's* Vincent Morris. "We do not want to view this tragedy as an opportunity for more spending," added Rep. Pete Sessions (R-Texas), an influential conservative. "It should not be some kind of open book." *New York Post* 10/11/01.
- 10 *New York Post* 9/30/01.
- 11 *Newsday* 10/16/01. Ferrer was saddled with Sharpton and in the public mind that conjured up Tawana Brawley, Freddy's Fire and a host of lesser incidents. The *New York Post* led the way in linking Ferrer and Sharpton in the public mind. One of its cartoons showed Ferrer planting a big wet kiss on the behind of the rotund Reverend. In Brooklyn fliers with the cartoon printed on them were distributed in Jewish neighborhoods.  
The Green TV ads never referred to Sharpton. They warned Ferrer would run a patronage regime that would raise taxes and divide the city. Green's "Can we take a chance?" ad quoted from the *Times* editorial warning that Ferrer's reaction to 9/11 was "borderline irresponsible." One particularly hard-hitting ad was shot in a grainy tone and set to the music from *Jaws*. It asked of Ferrer, "Can we risk this?" Hazel Dukes of the NAACP called the commercial "the height of racism" and a "lynching," adding: "I woke up and thought I was in Mississippi." *New York Post* 10/11/01.
- 12 *Newsday* 10/30/01.
- 13 *Newsday* 10/12/01. On election night Green's supporters spontaneously broke into the hoary Sixties chant "THE PEOPLE (brief pause) UNITED (brief pause) WILL NEVER BE DEFEATED." The chair of Green's election night victory party was the raucous Bertha Lewis, the African-American leader of ACORN, a group that had fought against both school and welfare reform. For better or worse it was hard to mistake Green for Giuliani.

- 14 *Newsday* 10/16/01.
- 15 *Washington Post* 12/31/01. Bloomberg was compared to outgoing Los Angeles Mayor Richard Riordan, a fellow businessman. But Riordan had long been involved in the civic life of the city, where Bloomberg prior to his run was scarcely involved.
- 16 *New York Times* 1/18/01.
- 17 *New York Post* 11/5/01.
- 18 *New York Post* 11/4/01.
- 19 *New York Times* 11/11/01.

#### Chapter 25

- 1 Bloomberg's 2005 State of the City speech.
- 2 CNN 10/12/01.
- 3 *Daily News* 8/31/04.

#### Appendix

- 1 These paragraphs have been drawn from Edward K. Spann, *Gotham at War: New York City, 1860-1865*, Wilmington: Scholarly Resources Inc., 2003.
- 2 This section draws on John C.G. Röhl. *The Kaiser and His Court: Wilhelm II and the Government of Germany*, London: Cambridge University Press, 1994.
- 3 This new material on a planned invasion was first published in the German paper *Die Zeit* 5/9/02 and then in English in the *Daily Telegraph*.
- 4 The best source on the Black Tom Explosion is Jules Witcover, *Sabotage at Black Tom: Imperial Germany's Secret in America, 1914-1917*, New York: Workman, 1989.
- 5 The previous paragraphs are drawn from Michael Dobbs, *Saboteurs: The Nazi Raid on America*, New York: Knopf, 2004.
- 6 H.G. Wells, *The War in the Air*, New York: Penguin, 1908: 242, 243.
- 7 Robert Wistrich, "The New Islamic Fascism," *Partisan Review*, Winter 2002.
- 8 *New York Post* 8/16/2002.
- 9 E.B. White, *Here Is New York*, New York: The Little Bookroom, 1949: 54.
- 10 Ian Buruma and Avishai Margalit, *Occidentalism: The West in the Eyes of Its Enemies*, New York: Penguin, 2004: 32; Kenneth Timmerman, *Preachers of Hate: Islam and the War on America*, New York: Crown, 2003: 14.
- 11 Quotes from material entered into evidence by prosecutor Andrew McCarthy in the Blind Sheik case.
- 12 *New York Times Magazine* 9/23/02.
- 13 John Miller and Michael Stone, *The Cell: Inside the 9/11 Plot, and Why the FBI and CIA Failed to Stop It*, New York: Hyperion, 2002: 66.
- 14 *New York Post* 9/7/02.
- 15 On Giuliani's immigration policy, see Heather MacDonald, "Keeping New York Safe from Terrorists," *City Journal*, Fall 2001.