



NEW YORK STATE SENATOR

Malcolm Smith

Statement By State Senate Democratic Leader Malcolm A. Smith Calling For A Special Session Of The New York State Legislature

MALCOLM A. SMITH September 15, 2008

"I am urging Senate Majority Leader Dean Skelos to join us in taking immediate action to protect New York's place as the world's financial capital. We must convene an emergency session of the New York State Senate to protect the hundreds of thousands of jobs that have been put at risk by the extraordinary challenges facing New York's financial markets.

The collapse of Lehman Brothers, sale of Merrill Lynch and the extreme financial distress of AIG demand immediate action by the Legislature. Lehman Brothers alone has over 8,000 New York State employees who contribute more than \$250 million in State taxes. New York State faces a potential loss of 35,000 jobs in the financial sector for calendar year 2008 and a potential \$18 billion decrease in wages and bonuses, which would represent a decrease of approximately \$1 billion of Personal Income Tax revenues to New York State this year.

The possible loss of jobs and revenue pose unprecedented challenges for our State. While the \$20 billion that Governor Paterson made available to AIG is significant, the Legislature must get back to work to determine what can be done to provide further relief for policy holders and AIG employees. Coupled with the rapid rise in home heating costs, it is absolutely essential that the Legislature convene an emergency session to protect working families.

The Legislature, together with Governor Paterson and the Executive Staff, should immediately convene a meeting of the state's leading financial experts to provide advice and counsel, and assist us in designing and implementing the steps needed to mitigate the impact of these challenges, and take every action necessary to protect New York's future."