NYC 9/11 Public Portal Document

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Albany's Awful Economic Plan

"UP to 4,000 jobs out at Kodak ... Fed's business survey bleak ... Insurance rates are rising sharply across U.S. ... Durable goods orders plunge 8.5 percent ... New York Legislature OKs Expanded Casino Gambling."

The headlines tell the grim tale: The U.S. and New York economies are in trouble. October's employment report was one of the worst ever, with job losses spread across all industries.

More than 7 million Americans are now unemployed. Consumer confidence is at a record low, and New York state is facing the enormity of the World Trade Center cleanup, as well as the cost of rebuilding the infrastructure and economy of lower Manhattan.

So, what did the state do? It added $500 million in spending to the budget and authorized six new gambling casinos.

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MARK ALESSE

The state's "bare bones" budget will grow 5 to 6 percent above last year's record spending level. And with litigation from gambling opponents likely to delay matters indefinitely, the state can't expect any casino revenue for at least two years.

Since Sept. 11, the U.S. economy has been battered by weak retail sales, canceled manufacturing orders and rising layoffs. Whatever the merits of casino gambling, it's plain that Albany should have done more.

No, the final budget did not entirely ignore the state's needs. It commits a total of $100 million to new economic initiatives, including the Senate's Gen-NY-sis program and the "Centers of Excellence" program; the creation of separate upstate and downstate tourism boards; and the creation of eight new Empire Zones and a comparable "Liberty Zone" near the World Trade Center. Not bad ideas by any means, but not nearly enough to stimulate growth in the broader economy.



Will Gov. Pataki keep up his post-9/11 leadership? AP

Small-business owners believe that much more was called for. The attacks seriously damaged economic activity nationwide — and especially in New York City, where lower sales were reported in 65 percent of small businesses, according to a recent National Federation of Independent Business poll.

What we need to assure small-business survival is an economic-recovery agenda that lowers the cost of doing business without increasing state spending. The state must address the key business costs: taxes, health care, labor, energy and insurance.

With the second highest personal-income tax in the country, New York needs an income-tax cut now. We need an expansion of the Pataki Healthy NY program. A cap on Workers' Comp benefits, like 44 states already have, could cut premiums by 20 percent.

The repeal of the gross-receipts tax would help small manufacturers, and tort reform would cut liability- and auto-insurance costs. Repealing the Wicks Law and eliminating "prevailing wage" requirements would save local governments hundreds of millions of dollars a year.

But no such agenda was contemplated in Albany. All that we saw was more spending and a plan that defies reason.

When Kodak, an international manufacturer based in Rochester, sheds 4,000 jobs, serious people see cause for action — not for a promise that a similar number of croupiers and bellmen may someday be employed in Sullivan and Niagara Counties.

This is in no way meant to criticize the state's response in lower Manhattan, which has been nothing short of heroic in so many ways. But New York's small-business community is looking for a genuine state response to this economic crisis.

Steps must be taken immediately to stem the tide of job loss and recession. Only reducing the cost of doing business can do that.

Mark Alesse is the New York state director of the National Federation of Independent Business.

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