

# For Many in NY, Labor Day Was Jobless Day

By Nydia M. Velázquez

On the first Monday of every September, we observe Labor Day in the United States. As the yearly tribute to the contributions workers have made to the strength, prosperity and well-being of this nation, it is a holiday marked by picnics, parades and gaining perspective on the year ahead.

But this year there was little celebration at the official end of summer for almost 575,000 New Yorkers, who join the 9.1 million unemployed Americans across the country. Since President George W. Bush took office, the jobless rate continues to rise, with almost 242,000 jobs evaporating.

Sadly, New York is even worse off than the rest of the nation. In November 2001, the recession was officially declared over, even though growth since then has been described as molasses-like. But in New York City the recession continues as the percentage of jobs lost here is more severe compared to national averages.

In an attempt to show the nation he was refusing on pressing domestic issues like the economy, President Bush sent his economic team consisting of Treasury Secretary John Snow, Labor Secretary Elaine Chao and Commerce Secretary Don Evans out to the Midwest last month. The president later met with them at his Crawford, Texas, ranch to discuss the overall economic situation facing our nation. After all, most cities and states are in fiscal crisis, and they are looking to the federal government for some leadership and help. But the federal government is not much better off — the Congressional Budget Office report-

ed this year's federal deficit should exceed \$300 billion, the largest ever in our history.

After this meeting, the president held a press conference and remarked how "the current tax plan we have in place is robust enough to encourage job growth." There is irony in this since, right in Bush's own backyard, McLennan County, which includes Waco and Crawford, the number of people unable to find work jumped from 4,000 in June 2000 to 6,000 in June 2002.

But from his statement two things about this administration became disturbingly clear. First, the president is disconnected from the reality facing American workers and small businesses, especially in New York City. Second, the credibility gap between reality and rhetoric, fact and fiction is growing wider by the day.

A perfect example is the Bush 2003 "jobs and growth package." Even though the administration claimed the latest tax cut would put an extra \$1,000 in the pockets of millions of New Yorkers, the truth is that more than two-thirds of the state's residents will receive either less than \$100 or no tax break at all.

The president also claimed that his tax package would help the lifeblood of the national economy — and our city's economy — small businesses. Yet only 3 percent of the final \$350-billion package went to targeted small business tax relief, and the two specific provisions aimed to help them the most will expire in 2004 and 2005. This means that more than half of small businesses would receive less than \$500 under the president's latest plan and almost a third would receive less than \$100.

The \$1-billion tax cut was only one item on the president's small business agenda, which he unveiled with much fanfare in March 2002. The other items on his agenda, from health care to federal contracting, which are important to New York City small business growth, are far from being checked off the list.



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Bush signs the Jobs and Growth Tax Relief Reconciliation Act in Washington in May. In NYC, however, the recession continues.

On his agenda, the president talked about breaking up large contracts so that small businesses can win them. This would be a step in the right direction for New York's companies, since a meager 2.6 percent of the \$235-billion federal procurement dollars flow to them. Out of the less than 3 percent of government work that is awarded in New York, more than two-thirds of it goes to large corporations.

Health care also topped the president's agenda, inching out tax relief as the No. 1 one concern for small business owners. But no legislative remedy has been passed into law to help small business owners, their employees or their families, who make up the majority of uninsured in our country. Because of this reality, 2.9 million uninsured in New York will continue to live just one illness away from bankruptcy.

It is about time President Bush lived up to the promises he made to the American people and to the small business community. If the president and his economic advisers fail to replace the talk with initiative, we can expect many more months of rising unemployment and slow economic growth. If such a situation persists, come next September, Labor Day will once again seem more like jobless day throughout New York.



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