

# State of the City: Industry and Labor

New York City's diversified economy, long viewed as the strongest possessed by any metropolis in the world, is sick for reasons that will not disappear when the rest of the country climbs out of the recession. Cures for the city's deep-rooted economic ills depend on public and private decisions that can flow only from restoration in the forthcoming municipal budget of a sound fiscal foundation for revival of industry and employment.

The city has lost 420,000 jobs, all of them in the private sector, in a little over five years. But that dismal figure merely begins to tell the long-term story of industrial stagnation in this capital of finance, communications, fashion and international trade.

New York's current employment total of 3.37 million is slightly below the total a full quarter-century ago. During that same period the number of jobs elsewhere in the United States has expanded by 80 per cent. In short, this city has been a leftout in the phenomenal job growth the nation has experienced since World War II.

There is no occasion for despair in this record, provided adequate recognition is given to the enormous assets New York still has. Despite the downtrend of recent years, it provides more jobs than Boston, Detroit, Baltimore and Philadelphia *combined*. In an interdependent world economy, increasingly dominated by multinational banks and conglomerates, no city here or abroad compares with New York in potentiality for headquarters expansion.

An almost limitless range of expertise is available here in every knowledge skill from law to computer technology. Taxes, electricity costs and many other business expenses remain forbiddingly high, but heavy overbuilding of ultramodern office space in recent years has made commercial rents a bargain.

New York's success in reversing the outmovement of large companies—some to the suburbs and some to distant cities—is likely to depend primarily on its success in improving the quality of urban life. There would not be enough floors in now empty skyscrapers to house all the establishments eager to move in if fear were banished from the city streets, the schools were better and decent housing could be found at supportable rents.

The sad reality is that progress in all three directions will be harder to achieve because of the paramount immediate necessity for putting the city's fiscal house straight. That means not only slowing the ruinous rise in local taxation but also ending the city's current role as an inflator of private labor costs by pushing civil service pay and benefit scales far above those in industry.

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