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Peekskill Could Fit in the Smith Haven Mall

No one in their right mind who lives in New York City or Long Island can vote for George Pataki. The Republican-Conservative nominee simply doesn't understand the economic challenges facing the city or the suburbs of Nassau and Suffolk counties.

Last Saturday, I was on Jerome Avenue in the Bronx, a few blocks north of Yankee Stadium. Kids were playing football in McCombs Dam Park; mothers were pushing baby strollers while carrying grocery bags; immigrants from Mexico, the Dominican Republic and China were working in auto repair shops, bodegas and restaurants. Junkies and street hustlers were either napping or busy elsewhere. The stores were crowded, with much of the conversation in Spanish and all the transactions in cash.

On Sunday, I was on Long Island's north shore, driving on route 25A through Huntington, Smithtown and Setauket. Pumpkin-pickers jammed the farm stands, store-hoppers strolled through Cold Spring Harbor, while motorcyclists, brunchers and ferry travelers tied up downtown Port Jefferson. Returning to Manhattan, I couldn't help but think of the great public investments that allowed Long Island to evolve from a bunch of farms and bedroom communities into a network of shopping centers, office parks and manufacturing plants. Presidents, governors and Congressmen targeted tons of money for Long Island and built Stony Brook's enormous health care complex, the Brookhaven National Laboratory, and the former Grumman factories, which once supplied the navy with high-tech aircraft.

Contrary to prevailing wisdom, Long Island wasn't built on low taxes, but with public dollars generated by the federal government's appetite for computer-driven weapons and aircraft, Robert Moses' belief in parkways and beaches, Nelson Rockefeller's commitment to a public university system. Set between the Atlantic Ocean on the south and Long Island Sound on the north are the back offices of banks and the Internal Revenue Service, manufacturing plants that relocated from Brooklyn and Queens once their owners made enough to buy suburban homes with in-ground pools and the overbuilt school districts with their lavish football fields.

Although the Bronx and Stony Brook don't have much in common, they will share a common fate should George Pataki get elected. The Pataki agenda - cutting the personal income tax - would undermine economic prospects for both the city and Long Island, since businesses care about the taxes they pay, not the taxes people pay. Taxes on business, such as the city's commercial occupancy tax, the gross receipts tax on utilities, and high property taxes, weaken our competitive position far more than the personal income tax..

Rural upstate New York, with low-cost hydropower, no regional MTA surcharge, and cheap

industrial space, is a manufacturing economy surrounded by state-funded penitentiaries and colleges. If there are to be tax cuts, they should address the high cost of doing business in New York City and its suburbs. The Pataki program assumes that the State of New York is a homogeneous economic entity and ignores the need for targeted tax reduction in New York City and Long Island.

Worse yet, Pataki doesn't recognize that large-scale public investment stimulates job creation by preparing skilled workers, encouraging technological innovation and linking businesses to global markets. What would New York City be if our elected officials had cut taxes instead of raising revenues to pay for Central Park, the Brooklyn Bridge and the public library system? And would Long Island have developed without the public dollars that paid for its airports and network of highways?

Cuomo is not perfect. But I've been to Peekskill; you could drop it in the Smith Haven Mall and no one would even notice it.

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