

Testimony at NYC Industrial Development Agency public hearing - 11/10/03

We the members of the Manufacturing Woodworkers Association object to Liberty Bonds and other tax incentives being awarded without language requiring the companies receiving the tax benefits to patronize New York City manufactured products. Our Association represents companies who manufacture architectural millwork which is included in the buildings being built or renovated. In New York City, we employ high school graduates in a high skill, high wage industry. For the past 39 months manufacturing jobs have declined in the U.S. and employment in the millwork industry of New York City has also declined. When our government programs hasten the exodus of good paying jobs by delivering tax subsidies that also erode our tax base and contribute to driving our New York City manufacturers out of business we must object.

There must be some incentive for recipients of Liberty Bonds to buy goods and services in New York City. History has shown that much of the work in wood-work manufacturing goes directly out of our country to Canada. This obviously undercuts the primary argument for the Liberty Bonds benefit, namely, to spur economic development in New York City.

Many other government programs and procurement processes have at least some incentive to purchase a percentage of goods and services from Women, Minority and Local Business Enterprises (WBE/MBE/LBE). If the true intent is to spur economic growth in New York City we must be able to fashion an incentive clause as a condition of receiving these bonds that will help, not deplete our industry. It is entirely good public policy to require recipients of this public largess to purchase from locally owned businesses.

We are concerned that the current definition of LBE does not fit this industry because the workers are highly skilled and therefore make good wages of about \$65,000.00 per year. However as these high skilled high wage jobs disappear from New York City the alternative jobs available to these high school graduates are low paid service jobs. We believe a category such as LBE needs to be created and the recipients of tax abatements required to support these manufacturing industries. Until this occurs, we object to further eroding our tax base to companies who in turn use these taxes to buy manufacturing products from Canada.

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