

San Mateo County Times

Job-creating incentives needed

Thursday, April 01, 2004 - UNEMPLOYMENT is worsening across the country, and particularly in our state. The Department of Labor has just announced that more than one million Californians were out of work in February, up from 793,953 unemployed in January 2001, when George W. Bush assumed office.

And the picture is likely to get worse: Last week, the UCLA Anderson Forecast said job growth nationally will not match growth in the labor force this year, and any new hiring will be constrained by weaker consumer spending and bulging government deficits.

There are no quick fixes for these problems. But a combination of sound national economic policy, job-creating programs, and incentives to job-providing U.S. businesses can gradually improve the situation. In the meantime, we need to ensure that the unemployed receive proper support.

Jobs arise from economic growth. And it would appear that the only policy for growth that the Bush administration knows is giving big tax cuts to the rich.

Recently, The New Yorker ran a cartoon in which a little kid says to a friend, "Don't tell anybody, but I still believe in the tooth fairy and in the ability of tax cuts to stimulate the economy."

Unfortunately, the administration doesn't get the joke. Its federal budget proposal, which I voted against last week, fails to invest in economic recovery, and allows for tax breaks for the people least in need of financial relief.

The administration and congressional Republicans also are promoting tax breaks for corporations that ship jobs overseas. During the past three years, 2.6 million manufacturing jobs have been lost, and high-tech firms have benefited unconscionably from loopholes in immigration laws that facilitate this practice.

Instead of giving companies a tax subsidy to move jobs abroad, our tax code should be re-written to reward businesses that employ American workers. We ought to give serious thought to the kind of program that Sen. John Kerry has just introduced to encourage job growth at home.

There are several things that, with the proper political will, we in Congress can do to create jobs in a variety of sectors:

A long overdue transportation bill is making its way through the House right now; Congress should immediately pass this with its much-needed Bay Area transportation projects. With the extra federal funds, the Bay Area Water Transit Authority alone could begin expanded service and bring 960 construction jobs to South San Francisco and 405 new maritime jobs to the region.

Passage of the Advancing Justice Through DNA Technology Act, which would improve and expand the DNA testing capacity of the nation's crime laboratories, would mean more biotech jobs in Foster City.

The Broadband Internet Access Act offers a tax credit to telecom companies that extend high-speed Internet infrastructure to regions that are technologically isolated, benefiting millions of Americans and stimulating further growth in the high-tech sector, which is so important to our area.

And the Investment in America Act, which has been bottled up in a House committee for more than a year, would amend the tax code to permanently extend the research and development tax credit.

Such steps ultimately will produce more jobs. But in the meantime, we must also address the serious challenge of widespread unemployment.

Under the Bush administration, more than 3 million Americans have lost their jobs. But instead of letting Congress pass necessary legislation that would keep unemployment benefits flowing to those who need them, as has been the tradition during past recessions, the Republican leadership and the Bush administration are blocking the extension of unemployment benefits.

If this keeps up, of the 54,000 Californians who are jobless but are seeking work, more than 12,000 of them in San Francisco and San Mateo County, will have lost their unemployment insurance benefits by June. If the benefits were extended, as I and other Democrats have advocated, jobless workers in the Bay Area alone would receive almost \$175 million to spend on needed goods and services.

And we must do more to help the unemployed. I believe that every jobless worker should be able to learn new skills and find out about new employment opportunities using these skills, which would let that worker move more quickly to a good job, a higher income, and a successful future.

We cannot depend on tooth fairy tax cuts to solve our economic problems.

National leadership is required. Let's give our economy the tools to get America's workers back to work.

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