

Beacon Hill Byline by Mary Rogeness

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The economic health of the Commonwealth

Massachusetts is making progress. Wall Street money crunchers examined the fiscal condition of our state last month and weighed in with votes of confidence by approving a triple upgrade in our bond rating. This action validates two years of hard work by both administration and the Legislature to restore our credibility in the nation's money markets.

And, building on the upgrade, Gov. Weld has proposed a new economic development package to provide an additional boost to the economy. Here is some background on the two related actions.

First, there is a good news/bad news aspect to the bond upgrade. The good news is that our bonds are now four steps away from the abyss of 'junk bond' status. In addition, Massachusetts is the only state to merit an improved rating in the past 18 months.

The bad news is that we are still near the bottom when compared with other states. Nevertheless, the bond that is sold today by the Commonwealth will carry a lower rate of interest that reflects the improved condition of our finances.

Employment statistics has also shown improvement this year with the creation of more than 70,000 new Massachusetts jobs. The number of workers is still several hundred thousand lower than it should be, so the shaky state of the economy has prompted the Weld/Cellucci administration to propose a comprehensive program to jump-start the economy and encourage the investment that creates jobs.

The economic plan has several interlocking initiatives to bolster investment. They range from easing the credit crunch for small business by increasing investment tax credits, to phasing out the capital gains tax. Another aspect of the program streamlines development process by replacing the existing myriad of supervisory agencies with a single umbrella organization. This form of one-stop shopping will help any company develop or add to production facilities, but it has particular appeal for western Massachusetts businesses. The agency will have regional offices throughout the state. This means that an entrepreneur in West Springfield will be relieved of presently required trips to Boston.

The governor proposes, but the Legislature disposes and signs are hopeful for rapid response to the economic plan. Although November elections are facing members of the Senate and House, House Speaker Flaherty has pledged to move quickly in the Legislature. Hearings have already been scheduled before the Commerce and Labor Committee, and I will be there working to expedite the process. Commitment and teamwork should be able to implement the package by the end of the year.

The right combination of improved credit worthiness and a progressive approach to business development should serve Massachusetts well as we prepare for the 21st century.

I have touched on some broad areas in today's column. Call or write to receive a summary of the economic package: Room 39 Statehouse Boston Massachusetts, Mass. 02133 or call locally at 567-5480.