

The Metro Section

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Attack Gave a Devastating Shove To the City's Teetering Economy

By LESLIE EATON

No one who has seen the physical destruction in Lower Manhattan can doubt that the attack on the World Trade Center caused deep and lasting economic wounds as well.

It devastated both big companies and small businesses in and around the twin towers. It brought business across the city to a halt for days, weeks and in some cases months, slashing workers' earnings and tax revenues alike. It made many employers determined to spread their workers over a wider swath of geography, which has ominous implications for Manhattan.

And yet, terrorists cannot be blamed for all of New York City's economic ills, any more than they can be blamed for Enron, or the bursting of the stock market bubble, or

the financial turmoil in Latin America, or, for that matter, the long-running national recession. All are culprits in causing the city's economic woes.

Disentangling the effects of 9/11 from all the other threads running through the economy is so complex that some economists say flatly that it cannot be done. Economists at the Federal Reserve Bank of New York are still trying to come up with a statistical way to gauge the impact.

New York City's comptroller, William C. Thompson Jr., said last week that the attack was responsible for all of the city's job losses since last September, and then some. Of course, he assumes that the city had begun recovering from the recession in Au-

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Swing Low

Wynton Marsalis, center, and the Lincoln Center Jazz Orchestra joined the procession carrying the remains of Lionel Hampton to his funeral yesterday. Page 36.