

REMARKS PREPARED FOR DELIVERY BY GOVERNOR JIM FLORIO
GOVERNOR'S ECONOMIC CONFERENCE
THURSDAY, OCTOBER 31, 1991

Excellent

GOOD MORNING. THANK YOU, GEORGE, FOR THAT KIND INTRODUCTION.

I AM HONORED TO HAVE THE OPPORTUNITY TO MEET AGAIN WITH THE STATE'S LEADERS IN BUSINESS AND LABOR, AND OUR TOP ACADEMICS, TO DISCUSS NEW JERSEY'S FUTURE.

I WANT TO THANK YOU ALL FOR BEING A PART OF THIS ECONOMIC CONFERENCE. I ESPECIALLY WANT TO SAY THANK YOU TO THE MEMBERS OF THE CONFERENCE EXECUTIVE COMMITTEE FOR ARRANGING THIS MEETING, AND TO THE FOLKS AT MERRILL LYNCH FOR BEING SUCH GRACIOUS HOSTS.

OVER THE LAST SEVERAL MONTHS, YOU HAVE GIVEN ME SEVERAL EXCELLENT RECOMMENDATIONS FOR COMBATTING THIS NATIONAL RECESSION AND CREATING JOBS AND OPPORTUNITY FOR NEW JERSEY.

TODAY, I WANT TO TELL YOU ABOUT A COUPLE OF WAYS WE ARE RESPONDING TO YOUR RECOMMENDATIONS.

BUT BEFORE I TALK ABOUT WHERE WE'RE GOING, I'D LIKE TO LOOK BRIEFLY AT WHERE WE'VE BEEN.

I THINK WE'RE ALL BEGINNING TO UNDERSTAND THAT THE 1980S WEREN'T THE GOOD "MORNING IN AMERICA" A LOT OF US THOUGHT THEY WERE.

IN HINDSIGHT, WE CAN SEE THERE WERE FORCES AT WORK BACK THEN THAT ARE CAUSING A LOT OF PROBLEMS FOR US NOW. THINGS GOT OUT OF CONTROL, NOT JUST IN GOVERNMENT, BUT IN THE PRIVATE SECTOR AS WELL.

THIS YEAR, WE ARE PAYING MORE THAN \$300 BILLION IN INTEREST ON THE FEDERAL DEFICIT. THAT \$300 BILLION, BY THE WAY, IS THE BIGGEST LINE ITEM IN THE FEDERAL BUDGET.

IT EATS UP 29 CENTS OUT OF EVERY TAX DOLLAR.

HOW MANY BUSINESSES OR COLLEGES COULD OPERATE WITH A THIRD OF ALL YOUR BUDGET GOING TO DEBT SERVICE?

LATELY, EVEN WASHINGTON SEEMS TO BE GETTING THE MESSAGE.

YOU MAY HAVE SEEN ALAN GREENSPAN'S COMMENTS A COUPLE OF DAYS AGO IN THE NEW YORK TIMES. THE ARTICLE WAS ABOUT A SPEECH THE FEDERAL RESERVE CHAIRMAN GAVE TO A GROUP OF NEW ENGLAND BUSINESS EXECUTIVES.

GREENSPAN WARNED THAT THE ECONOMY IS TAKING TURN FOR THE WORSE. AND THE MAIN FACTOR DRAGGING IT DOWN IS THE CREDIT CRUNCH.

"THE ECONOMY IS MOVING FORWARD," HE SAID, "BUT IN THE FACE OF A 50-MILE-AN-HOUR HEAD WIND."

IN NEW JERSEY, WE'RE NOT WAITING FOR WASHINGTON.

WE'RE NOT WAITING FOR CONGRESS AND THE PRESIDENT TO CALL A MEETING ON THE CREDIT CRISIS, MUCH LESS FIND A SOLUTION.

BUSINESSES NEED HELP NOW.

AND WE'RE STEPPING IN TO MAKE SURE THEY GET IT.

WHEN I ASKED THIS GROUP WHAT NEW JERSEY NEEDED TO DO TO WEATHER THIS NATIONAL RECESSION AND CREATE JOBS AND OPPORTUNITY, YOUR RESPONSE WAS SWIFT AND CLEAR:

PROVIDE BUSINESSES WITH THE MONEY THEY NEED TO GROW. WORK WITH US TO CREATE A PARTNERSHIP FOR PROSPERITY.

WELL, I'M HERE TO TELL YOU I HEARD YOU.

AND I'M TAKING YOUR ADVISE.

LAST MONTH, AS YOU KNOW, WE TOOK YOUR ADVISE AND JOINED FORCES WITH 12 NEW JERSEY BANKS TO CREATE A \$30 MILLION LOAN POOL FOR SMALL BUSINESSES.

I'M PLEASED TO TELL YOU THAT WE ARE OFF TO A GREAT START. IN THE LAST MONTH, SIX MORE BANKS HAVE SIGNED ON. WE HAVE INCREASED THE LOAN POOL TO \$40 MILLION. AND WE ARE JUST DAYS AWAY FROM CLOSING ON OUR FIRST TWO LOANS.

THE LOAN POOL IS ANOTHER EXAMPLE OF HOW SMART PUBLIC SECTOR INVESTMENT CAN "PRIME THE PUMP" AND GET OUR ECONOMY MOVING.

TODAY, I AM ANNOUNCING A NEW PROGRAM THAT WILL CREATE NEW JOBS AND NEW OPPORTUNITIES FOR NEW JERSEY.

THE PROGRAM IS CALLED THE NEW JERSEY ECONOMIC GROWTH FUND, AND IT WILL PROVIDE BUSINESSES -- ESPECIALLY SMALL BUSINESSES -- WITH THE MONEY THEY NEED TO GROW AND EXPAND.

IN THE COMING WEEKS, I WILL ASK THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY TO SET ASIDE MONEY TO FUND THE PROGRAM.

IN NEW JERSEY, SMALL BUSINESSES ARE THE BACKBONE OF OUR ECONOMY. THEY HELP ALL OF US STAY STRONG. THEY SUPPLY MEDIUM AND LARGE BUSINESSES. THEY ARE OUR LARGEST EMPLOYER.

HERE AND ACROSS THE COUNTRY, EIGHT OUT OF EVERY 10 NEW JOBS CREATED IS IN A SMALL BUSINESS.

BUT SMALL BUSINESSES NEED HELP. THEY ARE BEING WHOLLOPED BY THIS NATIONAL RECESSION JUST LIKE EVERYONE ELSE. AND ONE OF THEIR BIGGEST PROBLEMS IN THE CREDIT CRUNCH.

THE NEW JERSEY ECONOMIC GROWTH FUND WILL EASE THAT CRUNCH BY CREATING A GUARANTEE FUND THAT WILL GENERATE \$250 MILLION IN PRIVATE SECTOR INVESTMENTS OVER THE NEXT THREE YEARS.

AND THAT \$250 MILLION WILL CREATE 6,000 NEW JOBS FOR JOBS -- NOT "MAKE-WORK" GOVERNMENT JOBS, BUT GOOD JOBS IN PRIVATE INDUSTRIES.

THE ECONOMIC GROWTH FUND IS ANOTHER EXAMPLE OF HOW COMMON SENSE PUBLIC SECTOR INVESTMENTS CAN HELP THE PRIVATE SECTOR. BY GIVING BUSINESS THE POWER TO FIGHT THE HEAD WINDS OF THIS RECESSION, WE CAN STIMULATE GROWTH THAT HELPS EVERYONE.

THE ECONOMIC GROWTH FUND IS GOOD FOR BUSINESS, IT'S GOOD FOR NEW JERSEY, AND MOST IMPORTANTLY, IT'S GOOD FOR PEOPLE.

BECAUSE BEHIND ALL THOSE NUMBERS ON JOBS AND LOANS ARE PEOPLE -- MEN AND WOMEN WHO WILL BE ABLE TO FIND GOOD JOBS AND AFFORD THE BIG-TICKET ITEMS SUCH AS A FAMILY HOME AND A COLLEGE EDUCATION. OUR INVESTMENTS WILL HELP PEOPLE SEE RESULTS FOR THEIR HARD WORK, AND RESTORE THE SENSE OF OPPORTUNITY THAT COMES WHEN PEOPLE WORK HARD AND KNOW THEY WILL MAKE PROGRESS.

AND TO MAKE SURE WE GET RESULTS, I'M ASSIGNING THE ECONOMIC GROWTH FUND TO A GROUP THAT KNOWS HOW TO GET THE JOB DONE: OUR ECONOMIC DEVELOPMENT AGENCY.

STARTING WITH A MERE \$200,000 APPROPRIATION IN 1974, THE EDA HAS TAKEN SOME GIANT STEPS IN MOVING NEW JERSEY AHEAD.

TWO MONTHS AGO, IT LENT ITS EIGHT-BILLIONTH LOAN DOLLAR. THAT'S GOVERNMENT IN ACTION.

AND, IN THE LAST YEAR, UNDER THE LEADERSHIP OF COMMISSIONER GEORGE ZOFFINGER AND EXECUTIVE DIRECTOR TONY COSCIA, THE EDA HAS BECOME EVEN MORE AGGRESSIVE.

SO FAR THIS YEAR, THE EDA HAS ISSUED LOANS, BONDS AND FINANCIAL GUARANTEES WORTH MORE THAN \$253 MILLION TO 73 COMPANIES, COMPARED TO ONLY \$42 MILLION FOR 55 PROJECTS DURING THE SAME PERIOD LAST YEAR.

THAT'S AN INCREASE OF 500 PERCENT!

THE IMPACT ON CONSTRUCTION JOBS IS EVEN MORE SIGNIFICANT -- 4,500 ADDITIONAL JOBS IN 1991 COMPARED TO 1990.

AND BECAUSE NEW JERSEY BUSINESSES AND FAMILIES NEED HELP NOW, I'M DIRECTING THE EDA TO PUT THE ECONOMIC GROWTH FUND ON THE FAST-TRACK. WE'RE GOING TO GET STARTED RIGHT AWAY, AND YOU'LL SEE RESULTS BEFORE THE END OF THE YEAR.

THE ECONOMIC GROWTH FUND IS AN IMPORTANT STEP IN OUR EFFORTS TO JUMP START OUR ECONOMY.

BUT WE NEED SOMETHING MORE. I NEED A PERMANENT, HIGH-LEVEL GROUP OF EXPERTS WHO I CAN TURN TO FOR ADVISE ON ECONOMIC POLICY AND RELATED MATTERS SUCH AS BUSINESS GROWTH AND RETENTION, WORK FORCE QUALITY, GOVERNMENT REGULATION AND INTERNATIONAL TRADE.

YOUR EXECUTIVE COMMITTEE RECOMMENDED SUCH A PANEL.

AND WE'RE GOING TO CREATE IT.

TODAY, I AM ANNOUNCING A NEW GOVERNOR'S COUNCIL ON JOB OPPORTUNITIES. THE COUNCIL WILL CONTINUE THE PARTNERSHIP AMONG BUSINESS AND LABOR, EDUCATION AND GOVERNMENT THAT WE BEGAN WITH THE ECONOMIC CONFERENCE.

AND, I'M VERY PLEASED TO TELL YOU THAT GEORGE ZOFFINGER WILL CHAIR THE COUNCIL.

GEORGE MAY NOT HAVE A GREAT APPRECIATION FOR ART. BUT HE'S GOT SOME OF THE BEST BUSINESS INSTINCTS I'VE EVER SEEN.

AS COMMISSIONER OF COMMERCE AND ECONOMIC DEVELOPMENT, GEORGE TRANSFORMED A SLUGGISH BUREAUCRACY INTO A REAL CATALYST FOR ECONOMIC GROWTH. NOW, AS HEAD OF THE GOVERNOR'S COUNCIL ON JOB OPPORTUNITY, HE'LL BE ABLE TO CARRY FORWARD THE WORK OF THIS CONFERENCE AND MAKE SURE THE JOB GETS DONE.

I'M ESPECIALLY PLEASED TO ANNOUNCE THESE NEW INITIATIVES BECAUSE YOU RECOMMENDED THEM. THEY SHOW THE GOOD THINGS THAT CAN HAPPEN WHEN GOVERNMENT LISTENS.

THAT'S SOMETHING WE'RE GETTING BETTER AT. AND WE'VE GOT THE RESULTS TO SHOW FOR IT.

TODAY, NEW JERSEY'S ECONOMY IS THE STRONGEST IN THE REGION.

AND WHEN THIS NATIONAL RECESSION ENDS, NEW JERSEY'S ECONOMY IS GOING TO TAKE OFF. BECAUSE WE'RE TAKING YOUR ADVISE AND LAYING A SOLID FOUNDATION FOR LONGTERM ECONOMIC GROWTH THAT WE CAN SUSTAIN, NOT THE BOOM-AND-BUST ROLLER COASTER OF THE 1980S.

WE'RE BUILDING OUR WAY OUT OF THIS NATIONAL RECESSION. EVERYWHERE I GO, PEOPLE ARE BREAKING GROUND -- FOR NEW OFFICE BUILDINGS, NEW ROADS AND BRIDGES, NEW RESEARCH CENTERS AND NEW MANUFACTURING PLANTS.

BUSINESS INVESTMENT IN NEW JERSEY IS WAY UP. DURING THE FIRST HALF OF 1991, 68 COMPANIES ANNOUNCED PLANS TO MOVE TO NEW JERSEY OR EXPAND HERE. THAT'S DOUBLE THE NUMBER BUSINESSES THAT MOVED HERE DURING THE FIRST HALF OF LAST YEAR.

OUR NEW ECONOMIC GROWTH FUND AND THE GOVERNOR'S COUNCIL ON JOB OPPORTUNITIES ARE GOING TO DRIVE THOSE NUMBERS EVEN HIGHER.

THE DRAG ON THE SAILS OF OUR ECONOMY IS A NATIONAL RECESSION.

IN NEW JERSEY, WE CAN'T CHANGE THE DIRECTION OF THAT WIND. BUT WE CAN ADJUST OUR SAILS TO MAKE SURE WE REACH OUR DESTINATION.

BY WORKING TOGETHER AND MAKING SMART INVESTMENTS, WE CAN CREATE JOBS. WE CAN RESTORE VITALITY TO OUR ECONOMY, AND HOPE AND OPPORTUNITY TO OUR PEOPLE.

THAT'S A NEW JERSEY WORTH WORKING FOR, AND I THANK YOU FOR YOUR SUPPORT IN GETTING THERE.