

# The Star-Ledger

## Corzine: Economy a hurdle in'09 run

Sees tough choices -- and angry voters

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After three turbulent years in Trenton, Gov. Jon Corzine said his re-election year will be consumed by the dismal economy -- and the billion-dollar state budget cuts the bad times could force him to make.

Shadowed by a national recession and plummeting state revenues, Corzine said issues like enacting gay marriage will be shoved to the sidelines while he tries to stimulate New Jersey's economy and push ethics reform through a reluctant Legislature.

In an interview with The Star-Ledger last week, Corzine acknowledged mistakes with his biggest push in 2008, a failed plan to use toll hikes to restructure state finances.

With Republican critics calling some of his recent initiatives election-year gimmicks, he said the economy makes it impossible to avoid tough -- and unpopular -- decisions. He knows that will make it harder to win a second term.

"I haven't defined myself in life by being the governor, and if I'm not the governor, life is going to go on," Corzine said. "I really would like to be re-elected. But it's more important that I use the time that I have to do the best I can to try to address the challenges that the people of the state have. It's not about me."

Corzine said he will make his "best case" for a second term by confronting the state's problems "realistically" and enacting an economic recovery plan that is "out in front of the country." Although he has been fundraising and polling for several months, he insisted he hasn't spent much time strategizing how to campaign against possible Republican opponent Christopher Christie.

"All I can do is do the best job I can -- that's my fundamental platform, and people will have to draw their own conclusions from that," the Democratic governor said.

Fresh from a breakfast meeting with advisers Bradley Abelow and Richard Leone, Corzine sat on an upstairs couch at the governor's mansion in Princeton, near a Christmas tree and other holiday trappings. He appeared relaxed as he fielded questions but grew animated when describing the force of the economic collapse.

Corzine, 61, said he never lobbied to flee Trenton to become Treasury secretary in the Obama administration -- "there was no subtle campaign, direct campaign" -- and the president-elect will still hear his input. But he hinted he would have taken the job if offered.

"I think it is very difficult if the president of the United States looks you in the eye and says, 'I want you to come and do this job,'" Corzine said.

A multimillionaire, he said his own net worth has suffered in the shaky markets, but he hasn't "taken a look" at how much.

He all but ruled out replacing civil unions with gay marriage before the fall campaign, despite a commission's recent report recommending marriage. Gay-rights advocates have seized on the report to pressure lawmakers to act, but have been met with caution from leaders, including Senate President Richard Codey (D-Essex).

While he would sign gay marriage into law if a bill reached his desk, Corzine said he believes "anything that distracts us away from issue one, two and three -- the economy -- isn't serving ... anybody's interests very well right now."

Other progressive policy goals from his 2005 campaign, such as universal health care, have also moved slower than Corzine expected because of financial realities, he said.

In July, Corzine enacted the first phase of New Jersey's universal health care plan, mandating coverage for all children within three years. The more costly and complex phase of the program -- mandating insurance for those who make too much to qualify for the state's FamilyCare program, which provides subsidized health premiums for the working poor -- was slated to move forward this fall, but has not been introduced.

"Yes, we've had things that I wish we'd got done, but we have a lot of things that we're doing that I think are exceptional," he said, touting efforts to boost property tax relief, produce a new energy master plan and school funding formula, repeal the death penalty and start long-awaited transportation infrastructure projects.

Corzine began 2008 with a massive plan and a rollout to match. At town hall meetings around the state, he tried to convince New Jerseyans that raising tolls by as much as 800 percent by 2023 would cure a crippling state debt. He started strong and said he would stake his governorship on it.

But the crowds soon grew hostile and votes did not materialize in the Legislature, prompting Corzine to retreat. The governor's approval ratings sank quickly.

Looking back, Corzine did not pinpoint a specific moment when the tide turned against the plan. But he said its fate was sealed when opponents highlighted the 800 percent toll hikes, while he could not "convince people that this was spread over an extended period of time."

The prospect of higher tolls also stoked growing fears about the economy, he said, calling it "not the most user-friendly time" to introduce a dramatic long-term plan.

"I will say that I -- like many -- did not see the depth of the current economic slowdown," he said.

He said paying down state debt -- now about \$32 billion -- "still has to be done," and left open the possibility he would attack it again.

"Some format. Some governor -- maybe this one -- will still have to take that issue of debt on, and it's clear that that should be done during periods when we have economic strength, not economic weakness," he said.

But Corzine drew a direct link between the failure of the toll plan and later victories on cutting the budget by \$600 million, passing a constitutional amendment requiring voters to approve debt, and signing an executive order requiring future budgets to match spending to recurring revenues.

"I don't think those things would've gone down without the discussion that we had with the public on the state of New Jersey's finances," the governor said.

He pledged to follow the executive order, even as shrinking tax revenues squeeze the upcoming budget to as low as \$29 billion -- down from the \$32.9 billion spending plan he signed in June. He has so far refused to detail specific cuts.

"We're not going through a bunch of gimmickry," Corzine said. "We may have to make some really tough decisions and choices that may not necessarily be attractive politically, but they are responsible."

But critics say Corzine's principles bend to politics. Republicans in the Legislature say a recent proposal to allow towns and counties to defer pension payments during the recession -- which Corzine says would prevent big property tax hikes -- contradicts his claim to fiscal responsibility.

They cried foul over the smaller toll increases eventually approved by the Turnpike Authority this fall, a scaled-back plan that closely followed the advice Corzine received in a confidential re-election poll.

He also faces accusations that a package of ethics and campaign finance reforms he proposed in September was aimed at shoring up a weak spot against potential gubernatorial foe Christie, the former U.S. attorney known for fighting public corruption.

Corzine denied that and said ethics will be his other top priority in the new year. While the package -- which includes a ban on "wheeling" campaign money from one political party committee to another and stricter rules on pay-to-play -- has hit "enormous resistance" in the Legislature, he said the recent corruption scandal involving Illinois Gov. Rod Blagojevich underlines the need to act.

But the governor who once said he "didn't run for public office to be a number cruncher or to play Scrooge" knows that until the economy rebounds, little else matters.

"I can't, nor can anyone in New Jersey, stand against a tsunami tide of economic failure that has accumulated over the last eight years in the Bush administration, and so that makes it a lot tougher," Corzine said. "It captures people's imagination that this is a very difficult time. So all of those other things -- you can say whatever you want about them -- they don't rank number one, two or three with anybody who lives down the street or around the corner."

*Staff writer Josh Margolin contributed to this report.*