

REG

REMARKS OF GOVERNOR THOMAS H. KEAN

MIDDLESEX TRI-CHAMBER LUNCHEON

HYATT REGENCY

NEW BRUNSWICK, NEW JERSEY

THURSDAY, MARCH 14, 1985

THANK YOU, PETER (SELESKY)

LATE AT NIGHT, WHEN I RETURN HOME FROM TRENTON, I OFTEN DRIVE ALONG ROUTE ONE, OR THE TURNPIKE, OR THE PARKWAY, OR ROUTE 287-ALMOST ALWAYS THROUGH THE HEART OF MIDDLESEX COUNTY. SO OFTEN I AM STRUCK BY THE CONSTRUCTION THAT IS TAKING PLACE IN THIS HUB OF NEW JERSEY. AND AS I PASS THROUGH YOUR TOWNS EACH EVENING, IT IS CLEAR TO ME THAT THIS REGION IS GROWING MORE THAN EVER BEFORE IN THE HISTORY OF NEW JERSEY.

OVER 200 YEARS AGO, BEN FRANKLIN SAID THAT "NEW JERSEY IS LIKE A KEG TAPPED AT BOTH ENDS." THAT IT WAS "CLOSED OFF LIKE AN ISLAND BETWEEN TWO SEAS OF CONCEIT" --- THOSE SEAS BEING THE URBAN CENTERS OF PHILDELPHIA AND NEW YORK.

WELL, AS YOU KNOW, MUCH HAS CHANGED. NOW, ON THOSE DRIVES HOME, I CAN SEE THAT NEW JERSEY IS NO ISOLATED ISLAND. IF ANYTHING, IT'S A VITAL LINK BETWEEN THOSE TWO CENTERS. BUT MORE THAN THAT, NEW JERSEY NOW IS A FORCE IN ITS OWN RIGHT. WE ARE THE MAJOR SEA. WE ARE THE CENTER OF GROWTH IN THIS REGION. TODAY, WE ARE THE ONES WHO HAVE EVERY RIGHT TO BE CONCEITED.

CHASE ECONOMETRICS CALLED 1984 THE STRONGEST YEAR IN NEW JERSEY'S ECONOMIC HISTORY. I THINK THEY WERE RIGHT. IN THE LAST 200 YEARS, WE HAVE UNTAPPED THE KEG AT BOTH ENDS. AND TODAY OUR ECONOMY IS FLOWING FREELY.

MIDDLESEX COUNTY IS A DRIVING FORCE IN THAT ECONOMIC BOOM. YOUR ECONOMIC STRENGTH SERVES AS A REFLECTION OF THE ECONOMIC STRENGTH FOR OUR STATE AS A WHOLE.

FROM 1974 UNTIL 1983, 32,600 NEW HOMES WERE BUILT IN MIDDLESEX COUNTY. BUSINESSES IN THIS COUNTY HAVE SHOWN TREMENDOUS GROWTH. THE RESULT:

- UNEMPLOYMENT IN THIS REGION IS DOWN BY THREE PERCENT;
- UNEMPLOYMENT IN PERTH AMBOY DOWN FROM 13 PERCENT TO 10 PERCENT;
- NEW BRUNSWICK FROM 11 PERCENT DOWN TO 8 PERCENT;
- EDISON FROM 6 PERCENT TO 4 PERCENT.

MIDDLESEX COUNTY IS RIGHT SMACK IN THE MIDDLE OF NEW JERSEY'S ECONOMIC RECOVERY --- IT'S ONE OF THE ENGINE'S DRIVING IT.

THE ROUTE ONE CORRIDOR--REALLY THE NORTHEAST CORRIDOR,--
WHICH RUNS THROUGH YOUR TOWNS --- EDISON, NEW BRUNSWICK, AND
NEAR PERTH AMBOY --- SERVES AS A VITAL ARTERY FOR THE
TRANSPORTATION OF GOODS AND SERVICES IN AND OUT OF NEW JERSEY.

THE FACT THAT WE ARE AN ARTERY HAS BEEN A GREAT ADVANTAGE
TO NEW JERSEY --- AND IT'S AN ADVANTAGE THAT I INTEND TO
MAXIMIZE --- SPECIFICALLY THROUGH MAINTAINING AND REBUILDING
THE TRANSPORTATION INFRASTRUCTURE THAT FORMS THE ARTERY.

OF COURSE, THE CENTERPIECE OF THAT EFFORT WAS THE
PASSAGE LAST YEAR OF THE TRANSPORTATION TRUST FUND -- WHICH
WILL MEAN THAT WE CAN SPEND \$3 BILLION OVER THE NEXT FOUR
YEARS TO KEEP THAT ARTERY IN GOOD SHAPE. TO KEEP OUR ROADS
SMOOTH. OUR TRAINS RUNNING. THE GOODS AND SERVICES OF NEW
JERSEY'S COMPANIES MOVING SMOOTHLY.

BUT FRANKLY, STRENGTHENING NEW JERSEY'S TRANSPORTATION
SYSTEM -- OUR ARTERY -- IS JUST ONE PART OF MY AGENDA. I
THINK NEW JERSEY IS MORE THAN JUST A CORRIDOR STATE. I'M
BULLISH ON THE IDEA OF NEW JERSEY'S EMERGENCE AS A CENTER OF
ECONOMIC ACTIVITY -- BE IT INDUSTRIAL, SERVICE-ORIENTED,
HIGH TECHNOLOGY, OR WHATEVER -- IN ITS OWN RIGHT.

I WANT NEW JERSEY NOT ONLY TO BE THE ARTERY OF THE
ECONOMY OF THE NORTHEAST -- I WANT IT TO BE THE HEART!

WE ARE CERTAINLY WELL POSITIONED TO BE THE HEART.

WITHIN A FEW MILES OF HERE LIE:

- THE LARGEST CONTAINER PORT IN THE WORLD, AT PORT
NEWARK AND ELIZABETH;

- THE BUSIEST AND MOST EFFICIENT ROAD IN THE COUNTRY --
THE NEW JERSEY TURNPIKE;

- THE BUSIEST RAIL CORRIDOR IN THE COUNTRY; AND

- THE FASTEST GROWING AIRPORT IN AMERICA.

WE HAVE THE ASSETS. WE ARE POISED FOR CONTINUED
STRENGTH -- EVEN, I DARESAY, GREATNESS.

THE QUESTION IS, IF YOU WILL PARDON THE PUN, HOW DO WE
CEMENT THAT POSITION. HOW CAN WE MORE FIRMLY ESTABLISH
OURSELVES AS THE ECONOMIC LEADERS OF THE NORTHEAST.

I BELIEVE THAT THERE ARE A NUMBER OF THINGS WE CAN DO,
AND I AM WORKING TO DO THEM.

FIRST, I BELIEVE THAT THE KEY TO OUR ABILITY TO COMPETE IS TO KEEP OUR TAX RATES LOWER THAN THOSE OF OUR NEIGHBORS. WE HAVE GOT TO BE THE LOW-TAX STATE IN THE REGION.

WE'VE BEEN WORKING TO CUT THOSE TAXES THAT ARE HIGHER.

I SIGNED A BILL INTO LAW SOME TIME AGO THAT WILL ELIMINATE THE CORPORATE NET WORTH TAX BY THE END OF THIS YEAR. THAT TAX WAS HURTING SMALL BUSINESS AND DISCOURAGING COMPANIES FROM COMING TO NEW JERSEY. ITS ELIMINATION REPRESENTS A TAX CUT OF ABOUT \$110 MILLION A YEAR FOR NEW JERSEY COMPANIES.

LAST MONTH, I SIGNED A BILL TO PHASE OUT NEW JERSEY'S INHERITANCE TAX -- ANOTHER TAX THAT WAS A BANE TO SMALL BUSINESS. IT WAS HIGHER THAN MANY OTHER STATES. AS A RESULT, SOME OF OUR MOST PRODUCTIVE CITIZENS, AND SOME OF OUR SMALL BUSINESSES, WERE LEAVING THE STATE. NO MORE. I WANT TO KEEP THEM HERE.

THIS YEAR, WE WILL PAY BACK ALL OF THE UNEMPLOYMENT INSURANCE DEBT THAT THE STATE OWES TO THE FEDERAL GOVERNMENT. WHEN I CAME INTO OFFICE, THAT DEBT STOOD AT OVER \$600 MILLION. AND, OF COURSE, AS A RESULT OUR BUSINESSES WERE SADDLED WITH A SURTAX FROM THE FEDERAL GOVERNMENT. WE WILL PAY BACK EVERY PENNY BY THE END OF THE YEAR. AND AS A RESULT, WE WILL CUT ABOUT \$100 MILLION IN YEAR IN THE FORM OF THAT SURTAX ON OUR FIRMS.

FINALLY, ON THE PERSONAL SIDE, I'VE ASKED THE LEGISLATURE TO APPROVE A \$100 MILLION TAX REBATE FOR ALL HOMEOWNERS AND RENTERS IN THE STATE. THAT WILL GIVE A BREAK TO ALL TAXPAYERS -- WHO AFTER ALL HAVE PROVIDED THE REVENUES TO GET US THROUGH THE RECESSIONS OF THE PAST WITH A BALANCED BUDGET.

IF ANYONE IN THIS ROOM WOULD LIKE TO HELP, I WOULD LOVE IT IF YOU WOULD WRITE YOUR LEGISLATOR AND ASK HIM TO VOTE FOR THIS TAX REBATE. YOU DESERVE IT!

THAT SUMS UP OUR CURRENT TAX CUTTING EFFORT. AND THAT'S JUST ONE PIECE OF OUR STRATEGY.

SECONDLY, I BELIEVE WE SHOULD HELP SMALL BUSINESS. AS YOU IN THIS ROOM ESPECIALLY KNOW, SMALL BUSINESS IS THE SOURCE OF THE OVERWHELMING MAJORITY OF NEW JOBS IN THIS STATE. WE'VE GOT SOME PROGRAMS IN PLACE TO HELP SMALL BUSINESS WITH LOANS AND GRANTS, WE'VE PUSHED THE TAX CUTS I JUST MENTIONED, AND WE'VE SET UP AN OFFICE IN OUR COMMERCE DEPARTMENT TO HELP SMALL FIRMS THROUGH THE REGULATORY MAZE. BUT I THINK WE CAN DO MORE. AND I ASSURE YOU THAT EVERY CHANCE WE GET TO CLEAR THE WAY FOR SMALL BUSINESS GROWTH, WE'LL SIEZE.

THIRDLY, AS I HAVE ALREADY TOUCHED UPON, WE HAVE GOT TO REBUILD OUR INFRASTRUCTURE. THAT MEANS NOT ONLY TRANSPORTATION, BUT ENVIRONMENTAL INFRASTRUCTURE LIKE SEWAGE TREATMENT AND WATER SUPPLY SYSTEMS. AGAIN, I'VE PROPOSED A PROGRAM IN THE LEGISLATURE TO ACCOMPLISH THIS, AND I ASK FOR YOUR SUPPORT IN GETTING IT PASSED. WE DON'T WANT BUILDING BANS AND WATER SHORTAGES TO STUNT NEW JERSEY'S GROWTH. AND THAT COULD HAPPEN IF WE DON'T ACT NOW.

FOURTHLY, AND PERHAPS MOST IMPORTANTLY, WE'VE GOT TO PROMOTE NEW JERSEY. AS YOU KNOW, I'VE EXPANDED OUR EFFORTS TO PROMOTE NEW JERSEY PRODUCTS ABROAD THROUGH OUR DIVISION OF INTERNATIONAL TRADE. I'VE GREATLY EXPANDED THE BUSINESS ADVERTISING BUDGET OF THE COMMERCE DEPARTMENT. AND, AS I HOPE YOU'VE ALL SEEN, WE'RE GOING AFTER TOURISM BUSINESS WITH OUR "NEW JERSEY AND YOU: PERFECT TOGETHER" CAMPAIGN.

BUT THE BEST ADVERTISING FOR NEW JERSEY WE HAVE IS ALL OF YOU. THERE'S NO CAMPAIGN IN THE WORLD BETTER THAN SEVEN MILLION NEW JERSEY BOOSTERS -- AND THAT'S WHAT I WANT TO CREATE.

THAT BRINGS ME TO MY FIFTH AND FINAL POINT, WHICH IS THAT THE KEY TO NEW JERSEY'S CONTINUED GROWTH IS ALL OF US WORKING TOGETHER. A NEW COMPANY THAT'S CONSIDERING MOVING TO NEW JERSEY WANTS TO SEE A STATE WHERE LABOR-MANAGEMENT RELATIONS ARE GOOD. WHERE GOVERNMENT UNDERSTANDS THE PROBLEMS OF BUSINESS AND SEEKS TO ADDRESS THEM. WHERE THE SYSTEM OF SCHOOLS AND COLLEGES IS GEARED TO PRODUCING A TRAINED WORK FORCE THAT IS USEFUL TO THE STATE'S EMPLOYERS.

I THINK WE'RE WELL ON OUR WAY TOWARD BUILDING THAT KIND OF A STATE. BUT IT REQUIRES AN ATTITUDE. IT REQUIRES, AS I JUST SAID, SEVEN MILLION NEW JERSEY BOOSTERS. IT REQUIRES EVERYBODY FROM THE GOVERNOR TO THE COMPANY HEAD TO THE UNIVERSITY PRESIDENT TO THE PRESIDENT OF THE UNION LOCAL TO THE EVERYDAY CITIZEN TO BELIEVE IN THE SAME THINGS: A STRONG STATE, A PROUD STATE, A GROWING STATE.

WE'RE ACHIEVING THAT KIND OF A CONSENSUS IN NEW JERSEY. BUT IT TAKES CARE. IT TAKES NURTURING. IT TAKES THE CONSTANT EFFORT OF ALL OF US.

I BELIEVE IT WHEN I TELL GOVERNMENT LEADERS, BUSINESSES, OR FAMILIES FROM OTHER STATES THAT "NEW JERSEY AND YOU ARE PERFECT TOGETHER."

I HOPE YOU DO, TOO.

THANK YOU.