

a B. Baker

REMARKS OF

THE HONORABLE THOMAS H. KEAN

GOVERNOR OF THE STATE OF NEW JERSEY

TO THE

NEW YORK CITY PARTNERSHIP

ROCKEFELLER UNIVERSITY

NEW YORK, NEW YORK

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THANK YOU, DAVID (ROCKEFELLER).

THIS WEEKEND, I PICKED UP ONE OF THE NEWSPAPERS IN NEW JERSEY AND READ AN INTERESTING EDITORIAL.

ITS TITLE WAS: "THEY'RE SMILING IN THE SUNBELT."

AND YOU KNOW, I BET THEY ARE.

THE EDITORIAL, OF COURSE, WAS REFERRING TO THE SO-CALLED "WAR" BETWEEN NEW YORK AND NEW JERSEY.

IT'S A WAR THAT, UNFORTUNATELY, SEEMS TO BE HEATING UP AGAIN LATELY.

A FEW OF OUR OTHER NEW JERSEY NEWSPAPERS, AND SOME POLITICIANS AS WELL, HAVE HAD LESS THAN CHARITABLE THINGS TO SAY ABOUT NEW YORK.

MAYOR KOCH HAS SAID THAT NEW JERSEY WILL "RUE THE DAY" WHEN IT TELLS NEW YORK HOW TO SPEND ITS HIGHWAY MONEY.

AND ONE NEW YORK CONGRESSMAN HAS EVEN SUGGESTED THAT GOVERNOR CUOMO AND I HOLD A SUMMIT MEETING -- AS IF WE WERE ARMED WITH NUCLEAR WEAPONS -- TO CALM THE TENSIONS.

WELL, LET ME REVEAL A GREAT SECRET: GOVERNOR CUOMO AND I HAVE BEEN HAVING PRIVATE SUMMIT MEETINGS FOR SOME TIME NOW; AND THERE IS NO TENSION.

THERE IS, HOWEVER, CAUSE FOR CONCERN ABOUT THE SHOUTING MATCH ACROSS THE HUDSON.

THERE IS CAUSE FOR CONCERN BECAUSE IT COMES AGAINST SUCH AN INTERESTING BACKDROP.

FIRST, IT COMES AT A TIME -- IRONICALLY -- WHEN THE NORTHEAST IS BEGINNING TO FLEX ITS MUSCLES. AS A REGION, THE NORTHEAST IS BOUNCING BACK.

THE NUMBERS PROVE IT: BOTH NEW YORK AND NEW JERSEY HAVE ENJOYED SOME REMARKABLY STRONG ECONOMIC GROWTH FOR THESE LAST TWO AND ONE-HALF YEARS. MEANWHILE, THE BOOM IS OVER IN A NUMBER OF SOUTHERN AND WESTERN CITIES. PEOPLE ARE WONDERING WHAT HAPPENED TO THE HOUSTONS OF THIS COUNTRY, AND THEY ARE TURNING TO NEW JERSEY -- AND TO NEW YORK -- TO SEE JUST HOW WE RECOVERED SO HANDSOMELY.

THE FACT IS THAT WE ARE OUT-COMPETING THE SUNBELT.

AND NOW IS NO TIME TO GIVE THEM CAUSE TO SMILE AS WE SHOOT ARROWS ACROSS THE HUDSON.

SECONDLY, IT COMES AT A TIME WHEN WASHINGTON IS RETREATING FROM MANY OF THE RESPONSIBILITIES IT HAS HISTORICALLY BORNE.

AND AS THE FEDERAL RETRENCHMENT PROCEEDS, EVERY DOLLAR THAT DOES SPRING FROM WASHINGTON BECOMES THAT MUCH MORE IMPORTANT -- AND THAT MUCH MORE CAREFULLY WATCHED.

THE SUDDEN, AND, IN MY VIEW LONG OVERDUE, PREOCCUPATION OF CONGRESS WITH THE DEFICIT MEANS NOT ONLY THAT STATES AND CITIES WILL HAVE TO BE MORE CREATIVE AND SELF-RELIANT, BUT THAT WE HAVE A RESPONSIBILITY TO COMMUNICATE TO WASHINGTON WHAT OUR PRIORITIES ARE.

CUTTING THE BUDGET IS A PROCESS OF MAKING CHOICES. WHAT WE OUT HERE IN THE HINTERLANDS CAN DO IS HELP CONGRESS MAKE THOSE CHOICES.

WHEN WASHINGTON PROPOSES TO CUT MASS TRANSIT, OR UDAGS, OR SEWAGE TREATMENT GRANTS, WE IN THE NORTHEAST HAVE A DUTY TO SPEAK OUT -- BECAUSE THOSE PARTICULAR CHOICES UNDULY AFFECT OUR REGION.

BUT NOW IS NO TIME FOR JEALOUSY; IF WE ENGAGE IN A GAME OF TRYING TO CUT EACH OTHER'S FUNDS HERE IN THE REGION, THE RESULTS WILL BE DISASTROUS.

WE'LL MAKE THE CHOICES IN WASHINGTON THAT MUCH EASIER
-- THEY'LL JUST GET RID OF THE TROUBLE SPOTS.

THAT'S WHY THE FIGHT OVER SOMETHING LIKE UDAGs CAN BE
SO DAMAGING.

A RECENT STUDY BY THE REGIONAL PLAN ASSOCIATION SHOWED
THAT THIS REGION STANDS TO LOSE BILLIONS OF DOLLARS IN
INVESTMENT IF UDAGs ARE ELIMINATED. NEW JERSEY ALONE WOULD
LOSE \$1 BILLION OVER THE NEXT THREE YEARS.

SINCE THE BEGINNING OF THE PROGRAM, OVER \$441
MILLION IN UDAGs HAS BEEN INVESTED IN THIS REGION -- AND
THAT'S GENERATED OVER \$2.4 BILLION IN PRIVATE INVESTMENT AND
THOUSANDS UPON THOUSANDS OF JOBS.

THOSE INVESTMENTS, AND THOSE JOBS, HAVE BEEN DIVIDED
ROUGHLY EVENLY BETWEEN NEW YORK AND NEW JERSEY.

ALL OF US HAVE BENEFITTED TREMENDOUSLY FROM UDAGs --
WHETHER TO THE SOUTH STREET SEAPORT OR TO THE JERSEY CITY
WATERFRONT. BUT, UNFORTUNATELY, ALL OF US MAY SEE FUTURE
BENEFITS FROM UDAGs EVAPORATE.

AND OUR DISPUTE WILL HAVE HELPED CAUSED THEIR DEATH.

THIRDLY, AND PERHAPS MOST IMPORTANTLY OF ALL, THIS SO-CALLED "WAR" IS FLARING UP AMIDST A CONCLUSIVE BODY OF FACTS THAT SHOWS THAT THE BASIC ASSUMPTIONS ON WHICH THE HOSTILITIES ARE BASED ARE FLAWED.

I RECENTLY READ ANOTHER STUDY -- A MOST INTERESTING ONE -- CONDUCTED BY A GROUP CALLED THE NEW YORK INTERFACE DEVELOPMENT PROJECT.

THE STUDY WAS CALLED "CROSSING THE HUDSON: A SURVEY OF NEW YORK MANUFACTURERS WHO HAVE MOVED TO NEW JERSEY."

THE STUDY FOUND, NOT SURPRISINGLY, THAT NEW YORK MANUFACTURERS MOVE CHIEFLY FOR BUSINESS REASONS -- PRIMARILY THE COST AND AVAILABILITY OF SPACE.

THE STUDY SPECIFICALLY CONCLUDED THAT GOVERNMENT ASSISTANCE WAS NOT A CRUCIAL FACTOR FOR MOST OF THE FIRMS.

MORE OFTEN, AFTER REAL ESTATE PRICES, THEY CITED QUALITY OF LIFE ISSUES. SIGNIFICANTLY, THE ONE MOST OFTEN MENTIONED WAS CRIME.

WHAT DOES ALL OF THIS HAVE TO DO WITH BUILDING A HIGH
TECHNOLOGY BASE IN THE REGION?? ALOT.

HIGH TECHNOLOGY FIRMS WANT WHAT SO MANY OTHER FIRMS
WANT.

SAFE STREETS AND NEIGHBORHOODS.

A SKILLED WORK FORCE.

A QUALITY WORKING ENVIRONMENT.

GOOD SCHOOLS FOR THE CHILDREN OF THEIR EMPLOYEES -- AND
WHO MAY SOMEDAY BE THEIR EMPLOYEES.

SOUND INFRASTRUCTURE TO GET THEIR PEOPLE AND THEIR
PRODUCTS TO AND FROM WORK.

AND A HEALTHY ENVIRONMENT WITH SAFE AIR, WATER, AND
SOIL.

IN SHORT, THEY WANT A GOOD QUALITY OF LIFE
ATMOSPHERE. BECAUSE A GOOD QUALITY OF LIFE ATMOSPHERE IS A
GOOD BUSINESS ATMOSPHERE.

WHEN IT COMES TO QUALITY OF LIFE, I AM CONVINCED THAT
NO REGION IN THE COUNTRY CAN COMPETE WITH THE NORTHEAST.

BUT THE FACTORS THAT GIVE US OUR ADVANTAGE ARE REGIONAL
FACTORS. THEY CAN'T BE SEPARATED BY A RIVER OR A BRIDGE OR
A TUNNEL.

SO MANY OF THE FACTORS THAT CAN HELP ATTRACT NEW AND
GROWING BUSINESSES -- A WELL EDUCATED WORK FORCE; A STIMULATING
CULTURAL ENVIRONMENT; WELL MAINTAINED INFRASTRUCTURE; A
SAFER ENVIRONMENT; EVEN AN AFFLUENT MARKET OF POTENTIAL
CONSUMERS -- ARE THINGS THAT WE CAN BUILD -- IN FACT, THAT
WE MUST BUILD -- TOGETHER.

WHEN EITHER NEW JERSEY OR NEW YORK MAKES ITSELF MORE
ATTRACTIVE TO HIGH TECHNOLOGY FIRMS, IT HELPS BOTH STATES
WHEN BOTH WORK -- TOGETHER -- TO ATTRACT HIGH TECH, THE
RESULTS MAY PROVE IRRESISTABLE.

IN NEW JERSEY, WE'RE NOW PURSUING A NUMBER OF STRATEGIES TO BUILD A HIGH TECH BASE. STRATEGIES TO ATTRACT NEW COMPANIES. STRATEGIES, IN SHORT, FOR GROWTH.

THESE STRATEGIES AREN'T THREATENING TO NEW YORK -- THEY'RE SIMPLY DESIGNED TO MAKE NEW JERSEY A BETTER PLACE TO LIVE AND WORK. IN THE PROCESS, I BELIEVE THEY'LL HELP MAKE THIS WHOLE REGION A BETTER PLACE TO LIVE AND WORK.

IN A SENSE, WE'RE ADDRESSING THE KIND OF QUALITY OF LIFE ISSUES I JUST SPOKE OF.

WE'RE USING OUR CURRENT PROSPERITY TO MAKE INVESTMENTS IN TOMMORROW -- INVESTMENTS TARGETED TOWARD THE THINGS THAT WE KNOW THE FIRMS FO TOMMORROW CARE ABOUT.

WHAT ARE WE DOING? LET'S TAKE SOME OF THE FACTORS WE JUST LISTED.

EDUCATION:

IN MY LAST FOUR BUDGETS, I'VE RECOMMENDED OVER \$9.2 BILLION IN AID TO LOCAL SCHOOLS -- A MASSIVE INCREASE. THAT INCREASE IS BASED ON A BELIEF THAT AN INVESTMENT IN THE HUMAN MIND IS PERHAPS THE MOST IMPORTANT JOB-CREATING INFRASTRUCTURE INVESTMENT WE CAN MAKE.

WE'VE ALSO LAUNCHED AN AGGRESSIVE PROGRAM TO UPGRADE STANDARDS FOR TEACHERS AND STUDENTS. AND WE'RE TRYING TO ATTRACT NEW TALENT INTO THE CLASSROOM BY RAISING TEACHERS SALARIES, OPENING UP THE PROFESSION TO OUTSTANDING CANDIDATES WHO DIDN'T HAPPEN TO MAJOR IN EDUCATION, AND ESTABLISHING A MASTER TEACHER PROGRAM FOR THOSE WHO DO PERFORM WELL.

CRIME:

WHEN I ASK BUSINESSMEN WHAT IS THE SINGLE BIGGEST FACTOR THAT DRIVES THEM OUT OF THE CITIES, THEY ALL HAVE THE SAME ANSWER: CRIME.

WE'RE TRYING TO RESPOND TO THAT WITH MORE UNIFORMED POLICE IN OUR URBAN AREAS.

JUST THE OTHER DAY, I SIGNED A BILL THAT WILL PROVIDE THE FUNDS TO ADD 2,000 POLICEMEN TO LOCAL POLICE FORCES.

WE'VE ALSO TOUGHENED SENTENCES, CRACKED DOWN ON DRUNK DRIVING, AND UNDERTAKEN THE MOST AGGRESSIVE PRISON CONSTRUCTION PROGRAM IN OUR STATE'S HISTORY. AND THE RESULTS ARE GOOD -- CRIME IS DOWN SHARPLY FOR 4 YEARS IN A ROW, AND IT IS DOWN MORE SHARPLY THAN IN THE REST OF THE NATION OR THE REST OF THE REGION.

INFRASTRUCTURE:

I THINK ALL OF THE STATES IN THIS REGION HAVE RECOGNIZED THE SCOPE OF THE INFRASTRUCTURE CRISIS WE FACED JUST A FEW YEARS AGO. IN OUR CASE, LAST YEAR WE CREATED A MASSIVE TRANSPORTATION TRUST FUND TO PROVIDE \$3.3 BILLION FOR INFRASTRUCTURE RENEWAL OVER THE NEXT FOUR YEARS.

AND GOVERNOR CUOMO AND I SIGNED AN AGREEMENT CONCERNING THE PORT AUTHORITY WHICH WILL ALLOW THE PORT AUTHORITY TO MAKE JOB-CREATING INFRASTRUCTURE INVESTMENTS THROUGHOUT THE REGION.

ENVIRONMENT:

NEW JERSEY HAS A REPUTATION FOR ENVIRONMENTAL PROBLEMS, AND INDEED, PERHAPS THE MOST SIGNIFICANT BARRIER THAT COULD PREVENT NEW JERSEY FROM FULFILLING ITS POTENTIAL IS ENVIRONMENTAL POLLUTION.

IT IS THE DEFINITION OF A QUALITY OF LIFE ISSUE: NO ONE WILL WANT TO LIVE AND WORK WHERE THE WATER IS NOT SAFE TO DRINK AND THE AIR NOT SAFE TO BREATHE.

FRANKLY, I THINK PART OF NEW JERSEY'S REPUTATION IS DUE TO THE FACT THAT WE HAVE FACED THE PROBLEM SOONER AND MORE FORTHRIGHTLY THAN MANY OTHER STATES. ALL STATES HAVE HAZARDOUS WASTE SITES. ALL HAVE THREATS TO GROUNDWATER. ALL NEED TO TREAT THEIR SEWAGE AND DISPOSE OF THEIR GARBAGE.

WE HAVE TAKEN A VERY AGGRESSIVE APPROACH TO IDENTIFYING AND FACING THESE PROBLEMS -- AND I AM CONVINCED THAT THAT APPROACH WILL ULTIMATELY GIVE US AN ADVANTAGE.

EARLIER THIS YEAR, I PROPOSED TO THE LEGISLATURE THE CREATION OF A \$450 MILLION ENVIRONMENTAL TRUST TO TACKLE THE MOST PRESSING OF THE PROBLEMS: TOXIC WASTE, SEWAGE TREATMENT, AND SOLID WASTE -- OR GARBAGE -- DISPOSAL.

IF THE LEGISLATURE APPROVES THIS PROGRAM, AND I AM CONFIDENT THAT THEY WILL, NEW JERSEY WILL EXTEND IT NATIONAL LEADERSHIP IN CLEANING UP THE ENVIRONMENT.

HIGHER EDUCATION:

FINALLY, PERHAPS NO AREA IS AS DIRECTLY RELATED TO BUILDING A HIGH TECHNOLOGY BASE AS IMPROVING HIGHER EDUCATION.

IN FACT, A STUDY BY OUR NEW JERSEY OFFICE OF ECONOMIC POLICY FOUND THAT THE QUALITY OF HIGHER EDUCATION WAS THE KEY DETERMINANT OF HIGH TECHNOLOGY GROWTH.

IN NEW JERSEY, WE'VE AIMED OUR RESOURCES SQUARELY AT OUR HIGHER EDUCATION SYSTEM.

WE'VE INCREASED SUBSTANTIALLY THE MONIES TO RUTGERS AND TO ALL OF OUR OTHER STATE COLLEGES AND UNIVERSITIES.

WE'VE INTEGRATED COMPUTERS INTO THE CURRICULUM AND RETRAINED SOME OF OUR TEACHERS TO BRING THEIR KNOWLEDGE OF SCIENCE, MATHEMATICS, AND COMPUTERS UP TO DATE.

AND WE ESTABLISHED A COMMISSION ON SCIENCE AND TECHNOLOGY TO FIND OTHER WAYS TO BRING HIGH TECH TO NEW JERSEY.

THE COMMISSION RECOMMENDED A BOND ISSUE -- WHICH THE VOTERS PASSED -- TO FUND THE ESTABLISHMENT OF FOUR ADVANCED TECHNOLOGY CENTERS AROUND THE STATE.

THE IDEA WAS TO TAKE FOUR AREAS IN WHICH NEW JERSEY ALREADY HAD THE SEEDS OF NATIONAL LEADERSHIP PLANTED -- NAMELY BIOTECHNOLOGY, FOOD TECHNOLOGY, HAZARDOUS MATERIALS RESEARCH, AND CERAMICS RESEARCH -- TO BRING TOGETHER TOP RESEARCHERS FROM ACADEMIA AND FROM INDUSTRY, AND TO GIVE THEM THE RESOURCES TO EXTEND THAT LEADERSHIP. THE GOAL, OF COURSE, IS TO ESTABLISH A RESEARCH NUCLEUS THAT WILL ATTRACT EVEN MORE FIRMS.

THAT LAST EXAMPLE PROVIDES AN INTERESTING MODEL.

WE HAVE IN NEW YORK AND NEW JERSEY ONE OF THE MOST IMPRESSIVE CONCENTRATIONS OF BUSINESS AND ACADEMIC LEADERSHIP IN THE ENTIRE WORLD.

I THINK ITS POSSIBLE -- AND CERTAINLY DESIRABLE -- TO MARSHALL THAT IMPRESSIVE RESOURCE FOR WORK ON KEY ELEMENTS OF A REGIONAL HIGH TECH STRATEGY.

THERE ARE SO MANY AREAS IN WHICH THE EXPERTISE, THE FINANCIAL RESOURCES, AND EXPERIENCE OF NEW YORK AND NEW JERSEY ARE UNMATCHED BY ANY OTHER PART OF THE COUNTRY -- OR EVEN THE WORLD.

DAVID ROCKEFELLER HAS SUGGESTED ONE VERY PROMISING POTENTIAL AVENUE OF COOPERATION THIS MORNING: A PARTNERSHIP TO IMPROVE THE COST EFFECTIVENESS OF HEALTH CARE.

I WOULD SUGGEST THAT THERE ARE MANY MORE -- IN EVERYTHING FROM ADVANCED TELECOMMUNICATIONS TO CLEANING SEWAGE.

THE POINT IS THAT OUR NEW YORK-NEW JERSEY REGION ENTERS THE HIGH TECH AGE WITH SOME UNIQUE ADVANTAGES -- ADVANTAGES THAT CAN BE MAXIMIZED THROUGH COOPERATION AND SQUANDERED BY INTRAMURAL INFIGHTING.

WE WILL GROW BEST -- AND GROW STRONGEST -- WHEN THIS REGION OPERATES AS EFFICIENTLY AND AS HARMONIOUSLY AS POSSIBLE.

AND THAT APPLIES TO EVERYTHING FROM BUILDING NEEDED HIGHWAYS SO THAT WE DON'T FACE TRAFFIC SNAGS TO CLEANING UP OUR OCEANS SO THAT WE DON'T FACE BUILDING BANS.

THE ROADBLOCKS THAT WE THROW IN FRONT OF EACH OTHER'S PROGRESS WILL HOLD US BOTH UP.

THE NEW PATHS THAT WE BLAZE TOGETHER WILL LEAD US BOTH TO GREATER GLORY.

THE NORTHEAST STANDS PERCHED ON THE EDGE OF A GOLDEN AGE.

MY HOPE IS THAT WE WILL HASTEN ITS ARRIVAL BY WORKING
TOGETHER ON INNOVATIVE PROPOSALS LIKE THAT WHICH WE HAVE
HEARD THIS MORNING, RATHER THAN TURNING AWAY FROM IT OUT OF
PRIDE, OR SPITE, OR SIMPLE FOOLISHNESS.

THANK YOU.