

STATE OF NEW JERSEY

GOVERNOR PHIL MURPHY

GOVERNOR MURPHY WALK TO WASHINGTON DINNER REMARKS

Address at the New Jersey Chamber of Commerce 81st Annual Congressional Dinner

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Remarks as Delivered

Good evening.

Thank you, Jim Fakult, for your introduction, and for JCP&L's sponsorship of the Walk to Washington. I know how important that support is to this uniquely Jersey tradition.

Also, to the Chamber's great leadership team, headed by President and CEO Tom Bracken and Board Chairman Bob Doherty from Bank of America – the Chamber is a great and respected voice on a variety of issues, and that is a testament to your leadership.

To the members of our extraordinary Congressional Delegation, it is an honor to be with you all, as well, and to join the Chamber in bringing the spirit of our home state to DC. Let's be honest: We have the privilege to represent the greatest nine million people in this entire United States.

Thank you Senator Menendez, Senator Booker, and to the distinguished members of the House, we had an outstanding delegation meeting earlier, and that's the first of many to come.

To my dear friend, Governor Tom Kean, it is always wonderful, you are a mentor to me, it's wonderful to be with you. Your legacy of principled leadership is one I, and all of us who are elected to serve, strive to emulate.

And, speaking of principled leadership, Tammy and I first met Cardinal Tobin on last year's Walk to Washington, at least that's the best of my recollection, so I thank the Chamber for bringing us together. Cardinal, your good humor and your humanity have restored the faiths of so many. Except for those of us who were in Newark last night rooting for Seton Hall– where you and I were. We came up one point short.

Of course, I must also thank each and every one of you. You made the decision to call New Jersey home. My goal is to keep it the best decision you ever made.

Let there be no doubt, New Jersey has a laundry list of challenges, most of which have been festering for decades.

I take on these challenges not as someone who has spent a lifetime in politics, but as someone who spent a previous life learning how economies grow, create jobs, helping businesses be more responsive to markets, clients, employee, and working in advanced manufacturing economies overseas, both in business in Europe and Asia, and as the U.S. Ambassador to the Federal Republic of Germany.

I have seen what works and what does not work. Right now, in New Jersey, too much does not work. I cannot change the status quo overnight – no governor can. But, our administration is committed to taking on the entrenched interests that don't like and don't want change.

This administration is optimistic about our economic future. Our challenges do not yet overshadow our tremendous advantages – a highly educated workforce, accessibility to the world's largest market in New York and one of the nation's largest in Philadelphia, top-tier colleges and universities, to name just a few.

But they will unless we invest in our state and in a new vision for growth – a vision rooted in innovation, backed by small and medium-sized businesses, and of communities connected by modern infrastructure.

So much of what we are doing, and will do, will be done through the lens of restoring New Jersey as the “good value for money” state that it was when many of you started in business. Or many of us came here, as Tammy and I did, neither of us from New Jersey, when we planted our flag in New Jersey raise our four kids. As I have heard from many in this room in prior meetings, you knew New Jersey wasn’t the cheapest place to do business or to live when you planted your roots, but you knew that it was a state which provided a rich basket of advantages in exchange.

In recent years, the premium to live and do business in New Jersey has gone up and up, and the basket of what we got back has shrunk. Our failure to invest in our advantages has eroded their relative worth.

This is the balance we must restore. The “good value for money” equation must be brought back into balance.

We have done this before – from Alexander Hamilton creating American manufacturing, Bill Pascrell in Paterson, to Thomas Edison, to Bell Labs, to the biosciences. New Jersey literally invented the modern world.

To once again lead we must reclaim our heritage – we were, after all, Silicon Valley before there was a Silicon Valley. We do not know her name, but somewhere in New Jersey right now is the next Wizard of Menlo Park, and I agree with Senator Booker a thousand percent, We must make sure she stays here and succeeds here.

That means building a stronger and fairer New Jersey that works for every single family.

You hear those words a lot from me. Tonight, I want to focus on how we make New Jersey stronger.

Every corner of our state has the capability of being part of this renewal. But, we cannot ignore demographics, and the fact that the next generation is returning to our urban centers. Our cities were once the economic engines of our state and they will be again. It is inevitable. We see the growth in Jersey City, Newark, and Camden. We see the potential in Trenton. We see the seeds being planted in Atlantic City to name a few. But there are more places where we can focus efforts to create good jobs and create the environment where businesses can succeed.

With the ability to designate Opportunity Zones, as part of the federal tax bill, I give Senator Booker and Senator Scott a huge shout out — in our cities and rural areas, we can move in this direction. I believe we can take this further, with Innovation Zones where transformative high-tech businesses can take root in incubators and accelerators where these businesses are born. We lost our edge to competitor states like Massachusetts, New York, and California. This is how we begin to get it back.

And by the way, Government policy, or lack thereof, matters. New Jersey has 15 start-up incubators. New York, 179. That’s because they’ve embraced incubators in their policies. Venture capital in New Jersey is down 40 percent over the past five years. It’s up two times in the rest of the United States. Government policy matters.

Now, let me be clear, we are committed to doing, in addition to the start-ups, everything we can to make Newark the next home for Amazon. This is a once-in-a-lifetime opportunity. As I have said before, we’re going to make sure we do the right things, not just for Amazon, but, for our state.

We have a tremendous natural advantage, too, when it comes to Amazon, but which can be true, not just for them, but for any business, big or small. Certainly, on the one hand, there is the hard math, and on that list is controlling property taxes. It’s investing in world-class infrastructure, funding excellent public education, and making college more affordable and accessible for more New Jersey kids.

But you can’t put a number on a state’s values. If you, or your business, or your co-workers, or your kids care about things like: commonsense gun safety laws, a 100 percent clean energy future, fully funded women’s health care, the welfare and rights of our LGBTQ brothers and sisters, or enlightened immigration policies that allow safe cities to flourish, or other deeply held values that have historically defined New Jersey— we aim to be America’s gold standard.

So, it is not just about financial value; it’s also about human values. And we believe ours align perfectly with today’s corporate mindset. It is a tremendous weapon at our disposal for economic development, and we intend to aggressively deploy it. And I will give you an example. We are tracking down the CEO of Delta Airlines, and we will have a meeting with him.

Unfortunately, too often over the past eight years, tax incentives were the only thing given weight. We never spoke to businesses about the greater value of proposition of New Jersey. And, we failed to invest in ways to make our state an attractive home for all businesses. Those days are over.

We can't be content to just be the place where companies like Amazon want to come. We must also want to be the place where the next Amazon is born, and frankly it's a lot cheaper when they are born here than to convince them to come here. That will require a multi-faceted approach to business incentives and state investment, evaluating each new opportunity and creating a package that works for that business or start up, but also for us, and for you all.

It is one of the driving reasons why I ordered a sweeping audit of the Economic Development Authority's incentive programs, to ensure we do more for small business growth. Fully 98 percent of the businesses in New Jersey are small businesses. Small businesses employ more than half of all working New Jerseyans. And, nationally, small businesses will create upwards of two-thirds of all new jobs.

With new leadership from Executive Director Tim Sullivan, and new board chair, my friend Larry Downes, EDA will be the partner small businesses and startups need, with the right focus in making the right investments in our future growth.

More than \$200 billion in goods flow through New Jersey on an annual basis, supporting thousands of jobs at our ports and warehouses and elsewhere. We must remain a corridor state. If we do not invest in our infrastructure these goods will find another route.

In its last state-by-state rating in 2016, the American Society of Civil Engineers graded New Jersey's infrastructure a D+ – not failing, but pretty darn close.

Connecting businesses with markets, and workers with jobs, will take fixing crumbling and unreliable infrastructure – roads and bridges, our rail network, and building one very important tunnel. Diane Gutierrez Scaccetti knows this, and it's why she is serving as Commissioner of Transportation.

The renewal of the Transportation Trust Fund sparked a long-term \$32 billion infrastructure program to raise this grade. We're going to ensure these investments are made properly, and that we have the modern infrastructure our economy demands. We made a first round of investments last week, announcing a total of over \$160 million in municipal grants to 505 communities through the Transportation Trust Fund.

Fixing New Jersey Transit, specifically, is also a top priority. It'll be hard to create jobs if employees can't reliably get to them! That's why I am proud new Executive Director Kevin Corbett is leading an all-around reformation of the agency. NJ Transit famously referred to itself as "the way to go," but then lost its way. With Kevin's leadership and Diane's oversight, and their deep experience, and a comprehensive audit already underway, we'll get it back on track.

And, about that tunnel. I will fight tooth-and-nail for Gateway. I do not believe I'm exaggerating when I say no single project is as critical not just to our state's economy, but to our national economy. We must get this done.

Regrettably, the infrastructure plan the President unveiled a few weeks ago didn't recognize Gateway's singular importance – and I spoke earlier this week with the President and his team about this at the White House. I am prepared to work with him, Senator Menendez and Senator Booker, Senator Schumer, Governor Cuomo, and our entire Congressional delegation to get Gateway back on the priority list.

In particular, I want to give a shoutout to Congressman Frelinghuysen who has been a champion for Gateway, and we will work together to achieve one last huge win for New Jersey before his retirement. I cannot stress strongly enough his leadership on this game-changing project.

I mentioned that we have one of the nation's – and world's – most highly educated workforces. That's true. But we must reinvest in our colleges and universities to make them more affordable for our young people so we can keep them here, and to create greater connectivity between our institutions and employers to create exciting opportunities for work and innovation.

We also have a growing gap for middle-skill jobs that we must close. Not every job in the innovation economy will require a Ph.D. By some accounts, half of the jobs we will create by the year 2024 will be middle-skill jobs – but only 37 percent of our work force matches up, leaving a sizeable gap.

To combat this, I am committed to a new focus on workforce development, starting with a strong STEM curriculum in every public school, and including tuition-free community college for every New Jerseyan, from the recent high school grad just starting out to the older adult returning to school for a new skill-set and a new career.

The cost of college is a huge economic challenge for working and middle-class families and students. Taking on this fight is vital to our economic health and future. It's what we need to do to keep your future workforce within your reach. It's just that simple.

Many jobs, if we do this right, can come in the clean energy sector. I am anxious to unlock that. It's why I signed an executive order to get us moving on the production of wind energy. We have the potential to not just power New Jersey with clean energy, but to create countless new, good-paying jobs and welcome global investment, including in advanced manufacturing.

At the same time, we must resist any plan to drill off the Jersey Shore, or even off any East Coast shore, as the ocean knows no boundaries. We cannot allow a \$44 billion tourism industry, and tens of thousands of jobs, to be put in danger. We cannot allow for our state's greatest natural gem to be threatened. I know there is broad consensus in this room about this, and if we work together, we will win and our Shore will win.

And, finally, to make all this happen we need to ensure tax fairness. Not class warfare, but equity.

It comes down to asking: Do we continue to hollow out the very core of our state, of our society, or do we ask the wealthiest and biggest corporations to pay their fair share and then invest those proceeds in things that we know grow an economy – education, infrastructure, and tax relief for our middle-class, working families, and seniors?

We tried the first option for eight years. It left us with a lagging economy, crumbling infrastructure, underfunded schools, and rising property taxes for middle-class families.

We have to acknowledge the fact that a New Jerseyan earning more than \$2 million just got a \$60,000 tax break from the feds— before we factor in our efforts to restore the SALT deduction for property taxes.

Many large corporations received windfalls – some into the hundreds of millions or even billions of dollars – that they are deliberating on ways to spend. I applaud Horizon's announcement on their plans to invest more deeply in some of New Jersey's toughest public health challenges as a result of their new tax reality.

But the middle-class didn't get anything near this. And, certainly, New Jersey didn't either.

There is no doubt the new tax law will make things worse in many corners of our state. The Chamber recognized this, and I commend you for your courage to stand in opposition to the law.

Whether it is challenging the law's legality in the way it created winners and losers along political fault lines or using our creativity to give property taxpayers a new way to maintain their deductions through charitable funds, and I thank Congressman Gottheimer for his help there, we will leave no stone unturned to help our middleclass keep more of their money. And, I welcome your partnership.

Meanwhile, we still have a property tax crisis that we must crack. But real and lasting property tax relief must start with our beleaguered middle class, and we will use every tool to help them.

I remain committed to a true Millionaire's Tax and closing corporate tax loopholes most states closed long ago. I remain committed to reversing eight years of failed fiscal policy, and to funding our public schools, delivering property tax relief, firstly to the middle class and seniors, and to rebuilding our infrastructure.

Only through tax fairness and economic growth can we once again be a state that delivers more, invests in the things that benefit all families and businesses, and restores the concept of "good value for money" that once defined us. We cannot wait.

And any given tax policy need not be a permanent condition. If we get this economy growing again—and we will—and we get that value, money equation back into balance—and we will—we should be prepared to recalibrate—and we will.

I was tagged last year by a Republican friend of mine as a "pro-growth progressive." I will take that tag. And, just as sure as we will reclaim our progressive soul of this great state, we will grow this economy at all costs – there is no higher priority.

I want to close tonight by acknowledging two losses. First, Carmen Orechio, the King of Nutley, mayor on a number of occasions, commissioner for decades, and former Senate President – I have ordered all New Jersey flags be flown at half-staff tomorrow in his honor of his legacy and in advance of his funeral. I will be in Nutley for the St. Patrick's Day parade on Saturday to see all that he did. And for all the public things he did, I spoke to a member of his family yesterday and she said to me that as good as he was in public he was in private with any family, any friend, and any citizen. So God bless him and let's give him a round of applause.

And I want to conclude by recognizing some folks who are very special to Tammy and me: Ruthi Byrne and Tom Byrne. We miss Brendan, we miss his wisdom, and we miss his good humor, every day.

Governor Byrne changed New Jersey for the better. He did big things and tackled big problems. He set a standard for integrity, decency, and political courage that we all must strive for. We can honor him by having the same commitment to building a stronger and fairer future.

Thank you!

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