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## In Case You Missed It - New Jersey Governor Chris Christie Discusses His Fiscal Plan On CNBC's Squawk Box

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"What I am worried about is getting our state back in fiscal health." - **New Jersey Governor Chris Christie**

Link to transcript and Video -Below is the unofficial transcript of New Jersey Governor Chris Christie's interview with CNBC from earlier today.

Becky Quick: Joining us with his plan to get the garden state back to prosperity, New Jersey Governor Chris Christie. This is his first national television interview since his election. Thanks for joining us.

**Governor Christie: I'm happy to be here.**

Quick: I know you have taken the state by storm. You have come through and gotten down to business very quickly. In fact, I guess you've issued 14 executive orders, an average of one every two days. There are plenty of voters who would say this has to be done, this is an emergency. Others are saying, wait a minute, this is too much too soon. Lay out your plan.

**Christie: The only saying too much too soon is the professional political class in Trenton who ran the state into the ground to begin with so I'm not worried about what their talking about. What I am worried about is getting our state back in fiscal health. We are in awful shape. We have a lot of work to do. You can't wait for permission. If you're governor, people have elected you to make decisions. I have no hesitation in making them. We're ready to go.**

Quick: You declared a state of fiscal emergency. What does that mean, exactly?

**Christie: Well, when you have a \$2 billion budget deficit in fiscal year 2010, which ends on June 30th, which I had to act last week to close, and then a projected \$11 billion budget deficit for fiscal year 2011 on a \$29 billion budget, that fits my qualification of an emergency.**

Carl Quintanilla: When you were inaugurated, was there a moment where they opened the books for the first time and did your face turn white? How much has been a real eye-opener for you?

**Christie: All of it's been a real eye-opener for me. I knew how bad off the state was. But we didn't know about the \$2 billion fiscal ten cap. Governor Corzine said he left with us a \$500 million surplus. Surprise surprise. When they opened the books, in fact, they spent so much money at the end as Governor Corzine was leaving, you know, he spent \$200 million in extraordinary municipal aid that went out to some of our major cities that they wired out the morning I was being sworn in. So they could get it out the door before I took the oath of office. A lot of those shenanigans went on.**

Quick: You're not cutting municipal aid, right? In the list of things that your cutting municipal aid is not on that?

**Christie: Not in the fiscal '10 budget. But the money went out the door. You can't claw back and go and get that money from the municipalities. So what I to do was go back and look at what unspent balances did we have and what could I freeze? So what I did in fiscal '10 shouldn't be characterized as a cut, it's a freeze. Its freezing programs where they are now, stopping spending in fiscal '10. What I'm doing for fiscal 11 will be actual programmatic cuts.**

Quintanilla: That's going to hurt.

**Christie: Absolutely. That's why they call them hard choices. All the easy choices have been made already. So when I hear people complaining, and being concerned about it I empathize with that. I sat and made 375 freeze decisions in the first two weeks of office. And I know there's real people behind those. I don't like doing it, but that's what I got elected to do. When you have those deficits, and we're already the highest taxed state in America, you know this doing business in New Jersey, it is not a positive business tax or regulatory situation. We need to improve that. The only way to do it is lower spending so we can lower taxes and create new jobs in a state that now has higher unemployment than the national average.**

Melissa lee: Manage the expectations of New Jersey residents. How difficult will things be getting? There are reports in terms of the municipal bond downgrades, New Jersey has the fastest pace of downgrade out there, debt obligations are below investment grade. How do you keep up basic services when you're trying to stopgap that budget and keep the state going?

**Christie: Well here's what we do we know that we've taxed too much, we've spent too much and borrowed too much. The only way to fix that is to stop spending so much. That's the only way to do it.**

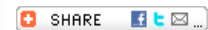
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Quick: Other people would say raise taxes too, bring in higher revenue and cut spending. Are you going to have to do both?

**Christie: No, we're not raising taxes. That's it. Our income tax when it was established in 1977 at 2.5% top rate. Under Governor Corzine, 11% top rate on income tax.**

Quick: What about property taxes?

**Christie: Property taxes are the highest in the nation.**

Quick: You're not raising those either?

**Christie: No. We can't. You know, we have had in the last four years under Governor Corzine, study came out, that \$70 billion in wealth left the state of New Jersey. And it left it because we are the most overtaxed people in America. So there will be plenty of democrats down in Trenton saying, just raise taxes a little bit more, Governor, just a little bit to get us through this crisis. We've done enough of that already. It is time to get tough and to say no.**

Quintanilla: What do you say to states like Virginia, Colorado, Oregon, that are either reversing exemptions or passing new sales tax initiatives? That's their problem? That's their strategy.

**Christie: Yeah. I'm not inside any of those states. I know the situation is complicated enough that I shouldn't be making decisions from, you know, hundreds of miles away. All I know is in my state we are the most overtaxed state in America. Our citizens and businesses are suffering. We have 10.1% unemployment where the national average is 9.7%. We can't do this any longer. I made this very clear in the campaign. Carl, I said if you vote for me, it's for smaller government, less spending and lower taxes. If that's what you want, that's what you're going to get. I don't understand why people are surprised now that it is happening and I'm doing it aggressively. I guess they didn't watch me as an attorney for seven years. I'm not a wallflower.**

Clarence Otis: Governor, it is surprising the emergency -- fiscal emergency you described in a state where the average household incomes have to be among the highest in the country.

**Christie: Yep.**

Otis: What are the big things that went wrong to get to you this point?

**Christie: An absolute addiction to spending. You know, at the state, county and municipal level. We spend more on school aid than any state in America per student. We spend more on providing services. We have more government per square mile than any state in America. We have 566 municipalities, all are taxing. You just have had an abundance of taxation and everybody always has that same attitude, just raise taxes this time. Well, people are now fed up. What's happening is you see an enormous flight from our state. Even if you raise tax rates, revenue continues to go down. Governor Corzine raised tax rate last year. Revenue is down by \$2 billion.**

Otis: Do you think people are prepared for consolidation? I mean, home rule is so deeply rooted in New Jersey, would you consolidate those governments and get rid of some of that--

**Christie: I think they're ready for shared services. That's the first step toward consolidation --**

Quick: Shared services in items of the police department, fire?

**Christie: All different aspects of services. Garbage collection, public works, you know, you'll have individual towns in New Jersey, the town having a public works department and the board of education having its own separate public works department. You have all kinds of things repeating themselves over and over again that cost money. The worst thing we have that we really need to tackle is pension and benefit reform. I gave an example in my speech last week which you'll understand. 49-year-old man who retires, state worker, \$124,000 he contributed to his pension and health benefits over the course of his career. What does he get? \$3.3 million in pension payments and \$500,000 in health care costs. \$3.8 million on \$124,000 investment. Those numbers don't add up.**

Lee: New Jersey hasn't made a contribution to the pension plan for a decade. I mean at this point according to the Pew Center, cause there was a study released yesterday, the annual obligations the state would have to pay far exceed what the state can afford to pay. What do you tell those state workers who put in a lifetime of work to the state who may not be getting much?

**Christie: Get on board and reform the system. Then you'll have a solvent system that will be able to pay you the pension we owe you. If you continue to take the position state workers union take which is no concessions, no deals, we're the strongest, biggest union in the state. Between the teachers and state workers union, if they are not willing to step up to the plate and live with economic reality, then we could have a situation where that kind of progress continues down the slope where it heads towards insolvency.**

Quintanilla: Let me turn your attention to national politics. Do you think this level of fiscal discipline is going to start coming out of Washington and do you think maybe on the national level taxes do play a role? The revenue generation is a legitimate way to help close the shortfall?

**Christie: I don't think so. Because I think the people in America generally feel overtaxed now. I think we have to stop spending so much.**

Quintanilla: Spending is a tough choice but why taxation is not a choice -- it's not -- it's too tough?

**Christie: No. It's a tough choice that's already been made. We already made spending choices. Listen, people said, make the tough choice of raising tax. We've done that over and over and over again. That**

tough choice has been made repeatedly. No one's looked at the spending side of things. We have to stop spending so much. People don't want bigger government.

Quintanilla: You don't think the bush tax cuts were in some way contributed to the fiscal problems the country's in?

**Christie: The bush tax cuts combines with an unwillingness to have spending discipline combined to do those things.**

Lee: At the same time, isn't spending going to help your state? There's an estimate out there that 40% of the stimulus money hasn't been spent yet and will be spent in 2010. Are you relying on any or part of that money to help the state of New Jersey? So at the same time you may be railing against spending but on the other side it will help New Jersey.

**Christie: If they to offer me money, in the situation I'm in I'm not going to turn it down. When Carl I think was asking me a philosophical question about the direction government. Those are two different things. My responsibility as governor, if they offer me the money, you bet I'm taking it.**

Quick: You know, when you look back at what's been happening in the state and happening around the country, though, this big swing where people have registered -- voters have registered their displeasure with how things have been going. They've done it in Massachusetts, new jersey, Virginia across the board on these things. Do you think that continues into the 2010 national elections for congress or do you think this is something that swings one direction and then comes back towards another? I mean, politics tends to bounce back and forth from one side to the next.

**Christie: Sure it does, but I think this is a philosophical swing and not a partisan swing. I think there are moderate democrats who say, listen, we have to focus on spending now and reduce spending, I think those folks will win. The same way with republicans who talk about that, will win. I think that's what we saw in my election in New Jersey. Let's face it, we have 750,000 more democrats than republicans. A republican hasn't been elected in 12 years statewide. They were listening to the message. They weren't saying all of the sudden we can see a huge voter swing to register republican. I don't think it's a partisan issue. It's philosophical. People saying someone has to hold this government to account and nobody one is doing it.**

Quick: Is it an anti-incumbent fever?

**Christie: It is an anti-incumbent if that incumbent has a record that says let's raise taxes, let's spend more money, let's grow government bigger. If the incumbent has that record it's anti-incumbent but you'll see incumbents get re-elected who have stood on the basis of saying, we need to have fiscal discipline. People are saying, I've lost my job, my home is foreclosed on and you want more taxes from me. Are you kidding? That's what people are saying.**

Quick: But at the same time those people who have lost their jobs, above 10% unemployment in New Jersey, you're also talking about people who need more services. You're talking about cutting 4.6% of the charitable care for hospitals, too. At what point does that catch up too?

**Christie: Listen, it does catch up at some point but in the end you have to make these decisions because we don't have the money. I don't like -- again, that's why it's a hard choice. If it were easy, everybody would have done it already. These things are very difficult. But in the end, you have to decide, are you going to wind up asking people who are working to contribute more of their revenue, put more behind the eight-ball in this state in a government they feel is out of control with no fiscal discipline? I'm not going to do it. And the people know I'm not going to do it so the legislature and everyone else has to get with it.**

Quick: States can't print money but the federal government can. Is this the time that the federal government should be stepping up on the philosophical debate again? To spend more to cover the states who are going to be in a position of not being able to?

**Christie: Listen I think there has to come an end. Everyone has to stop spending so much money. The federal government can print money but we know what the ramifications are for us economically over the long haul. I would love to have more money from the federal government so I wouldn't have to make some of these cuts but at the end of it, long term, that's not good for my kids. And for anybody's children because this debt is the debt they'll have to be saddled with. It's not for free. That's what people have to understand.**

Quintanilla: It's going to be interesting to watch if, as stimulus dies down and policy is removed, if we go back into recession, there's going to be pressure to pass not just one more jobs bill but several more jobs bills, right? That's money you want.

**Christie: Listen, of course there is. You know, but you have to decide where do we want job stimulus to grow? If you continue to give money to the public sector, do you want to continue to grow public sector jobs? We now have more people who are in public sector unions than in private sector unions. So at what point -- I would rather -- if we're going to have a jobs bill and we are going to stimulate growth I'd rather have his business growing, so that we can grow private sector jobs that will contribute to the economy. That's the real question, Carl is not do we need to have job growth. Of course we do. But who do we want growing the jobs? Do you want me growing the jobs or do you want him growing the jobs?**

Quick: What do you need to get help to grow jobs?

Otis: I think regulatory reform is important. I think the government's role is really to provide the infrastructure for the private sector to work. And that means all kinds of things. But a regulatory framework that makes some sense and that doesn't mean deregulation. There are places where we need stronger regulation. For example, food safety. And there's a bill pending in congress that we hope would get passed. As we look at New Jersey, the governor's on top of a lot of these things, but certainly liquor law licenses that don't seem to make sense today for the restaurant business would double the number of restaurants in New Jersey. New Jersey is a terrific state for the restaurant business, but limited by those kinds of laws.

Lee: As we mentioned, this is your first national interview since the election. So speak to our audience in terms of the industry, private sector industries you would like to see come to New Jersey and would be the planks of growth for the state. Which industries are you targeting. Obviously you want everybody, but you only have so man power and money to go after a few.

**Christie:** We have an enormous farm industry in New Jersey we want to continue to sustain and grow because those are great high-paying, private sector jobs. We want to look out in the tech industry and say, come to New Jersey but we have to do the things from a Regulatory perspective, like Clarence said. That's why one of the first executive orders was to freeze any new regulation by state government for 90 days. And in 60 days from now, we will eliminate a whole raft of regulation, lieutenant governor is leading this charge to say, to businesses like Clarence's, listen, we're meeting all over the state saying, what regulations could we get rid of that wouldn't injure the public but make your business more expensive and less easy to do and let's get rid of them. That cost no money from a budgetary perspective but helps businesses significantly. We want to lower the regulatory walls for things like high tech and pharma, manufacturing. I'd like to get more manufacturing jobs back in New Jersey. In my capital there's a bridge that says Trenton makes the world takes. It's not true any more. I would like to bring those back. Those are good, middle class jobs that provide benefits and do things for people that are really good and obviously, the industry of hospitality that Clarence is in is extraordinarily important when you have a place like Atlantic City, and other places in NJ that provide a lot of entertainment for folks, our jersey shore, etcetera.

Quintanilla: --Xanadu which will mean nothing to people on the other side of the --

**Christie:** Because you have to drive by and see how ugly it is, you're saying? I appointed a commission last week, headed by John Hansen, one of the leading commercial real estate folks in America who is the leading group of folks to study the entire sports authority in meadowlands area, including Xanadu to see if we can get that place one looking better, two actually open and producing revenue for new jersey and for the people who made the investments in that business.

Quintanilla: Next time you come back, will you go indoor skiing with us?

**Christie:** Have you been in that place?

Quintanilla: No.

**Christie:** Well sure. Absolutely Carl, you want to go indoor skiing, we're ready to go.

Quick: New Jersey's version of Dubai.

**Christie:** An indoor ski place, I've been in there. I've seen the chair lift, I've seen it snowing in there. So yeah Carl, you want to take a tour of Xanadu. I have no problem. Limited alpine it's not that big a slope probably just my speed.

Quick: Thank you very much, governor.

**Christie:** Thanks for having me. I'd be happy to come back any time.

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