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SECOND ANNUAL MESSAGE

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GOVERNOR OF NEW JERSEY



To The Legislature

January 11, 1972

ATES

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INTRODUCTION

Today I stand before this Legislature at the midpoint of my Administration as the chief executive of the State of New Jersey. While my first two years in office were marked by substantial progress, it is my personal conviction that the second half of my term holds the clear potential to be the most significant period in New Jersey history.

Let me recall another significant period in our history! Twenty-five years ago our State faced major problems in coping with the post World War II era. Our citizens made, at that time, a momentous decision. They restructured the State Constitution into a model for the entire nation and provided this State with the necessary machinery to meet the problems that arose during the 1950's and 1960's.

Once again, we face a host of truly critical problems in our lives which challenge the ingenuity, ability, willingness and courage of all of us to provide correct, honest and forthright solutions. Many of these problems have been with us for a longer time than we care to remember. But in my judgment, the time is NOW to put aside old approaches which have either failed or have served merely to forestall the inevitable and do that which needs and must be done!

In the first half of this Administration we undertook the task of developing new answers to many of the problems that plague us — answers, which anticipated our future as well as our present needs. Many new programs were initiated during these first two years, and they are now a matter of record. But, Members of the 195th Legislature, the really difficult decisions lie ahead. It is no exaggeration to say that the decisions that we make over the next two years will shape the destiny of New Jersey for the next 25 years just as the decisions of 1947 charted our course for the past quarter of a century. Our decisions will not be constitutional in nature but will involve serious questions, principally of financing the legitimate needs of our people. These decisions will determine whether New Jersey will be a progressive State meeting needs in education, penal reform, transportation, the challenges of the environment, the removal of regressive, unjust and antiquated forms of taxation, or whether we will regress into a position of mediocrity.

In the past two years we have together put New Jersey's house in order, preparing the way for major departures from the old policies of "business as usual".

We have implemented the recommendations of the Management Study Commission.

We have undertaken economies and initiated efficiencies.

We have discarded unsuccessful and unnecessary programs.

And we have demanded — and received — a high level of performance from our State employees.

No longer can it be argued that necessary revenues to operate State business can be obtained through greater efficiency or economy in Government.

In this Second Annual Message, let me review briefly the events of the past year. I trust you agree that we have, indeed, carried out the plans we made — we have truly implemented! I have said before and I repeat today, that the accomplishments of the past two years resulted from the cooperative effort of the Legislative and Executive Branches of this government. No Legislature in the history of the State accomplished more than your immediate predecessors! I can, therefore, speak of our success because it truly belongs to all — Republicans and Democrats alike! As a result of this mutual effort, all of us together can begin the second half of this Administration's mandate to lead New Jersey with pride in the past and confidence in the future.

Today New Jersey has the strongest and most efficient law enforcement agencies and officials in the Nation! Working with local and federal authorities, we are rooting out and eliminating corruption and lawlessness wherever it exists!

We have led the country in progressive narcotic legislation, education and rehabilitation. Our progress in education, particularly higher education, has been truly dramatic.

Medical and dental education has expanded under new direction and leadership.

Our Lottery is a model for the country.

We have provided assistance to our cities, our senior citizens, our veterans, our private schools, without unduly burdening the New Jersey taxpayer.

Consumer protection is now a reality.

We have reformed our divorce law.

Our State is recognized nationally for its vision and courage in relation to environmental efforts and achievements.

We are really on our way in the development of the Meadowlands!

Progress in mass transportation is, hopefully, near at hand.

We have enacted one of the strongest conflict of interest laws in the United States.

State government is operated economically, efficiently and honestly.

We have proven in New Jersey that the two party system works, that men of good will in both Republican and Democratic Parties can and do cooperate in the interests of the people.

We have truly put our house in order!

I submit that we are closing our books for the "first half" with a surplus of accomplishments and citizen confidence, and all of us, therefore, should face the future with great expectation, great enthusiasm and great confidence. But let me hasten to add that all that we have done is but prologue!

The election is now history. Today we cannot afford to be Republicans, Democrats or Independents. We must think and act exclusively as the elected representatives of the people of New Jersey. The problems we face are immense. Yet, we can succeed if we are willing to work together unselfishly and with courage to do that which is right for all the people. Within this framework I am convinced the people of New Jersey are ready to accept our decisions.

The words of Edmund Burke describe our role and our challenge:

"The great difference between the real statesman and the pretender is that the one sees into the future, while the other regards only the present; the one lives by the day and acts on expediency; the other acts on enduring principles and for immortality."

In this Message, I am suggesting new programs, new approaches to existing programs, new commitments to the progress of our State and to the general welfare of our citizens. Our achievements in the

year ahead will depend on whether this Legislature, this Executive, can work together. Our true success will be measured by our ability to work in harmony whereby we submerge our personal political philosophies striving together to unite our people and improve our government for the greatest good of all. This Legislature has an opportunity rarely granted in the history of our State, for you can, if you wish, construct this year the foundation that will sustain the growth of a stronger and greater New Jersey.

Let us unite in that effort!

Let me now address myself to the areas and the programs that will require your attention in the year ahead.

INSTITUTIONS AND AGENCIES

Last year I outlined the far ranging and varied responsibilities of this Department. In assessing our State's accomplishments and needs in helping the sick, the disabled, the weak, the troubled, and the disadvantaged, I pointed to the urgency of administrative reorganization.

Since that time, legislation has been enacted which will permit major inroads to be made eliminating the cumbersome dual authority structure that has long characterized the Department. It will also help promote coordination and cooperation among divisions and other agencies and achieve rational planning and evaluation mechanisms.

This legislation, which makes the Commissioner of Institutions and Agencies directly responsible to the Governor, provides the basis for modernization and comprehensive structural planning in all areas of responsibility.

In implementing this historic legislation, I am convinced that the primary objectives should include a humanization of institutions and the strengthening of community services.

Recognizing the inherent difficulties of these objectives, I shall, in consultation with the new Commissioner and the State Board of Institutional Trustees, recommend structural changes and staffing patterns to strengthen our capabilities in these areas.

Active participation by interested and dedicated private citizens must be an essential part of any plan or reorganization. In order to seek deeper involvement of the community in day-to-day functions of existing institutions and service programs, I recently outlined the need for a more dynamic role of local institutional Boards of Trustees. As I noted at that time, frequent visitation and direct dialogue with staff and persons receiving services are imperative if institutional Boards are to discharge adequately their duties of review, planning, and administrative advice.

It has been a tragic paradox that greater use of volunteer services has not been made in view of New Jersey's demanding responsibilities for adoption, child care, family social services, corrections, and mental health and retardation. In order to recognize the tremendous resource that dedicated and unselfish citizen effort represents, I propose establishing an Office of Voluntary Services within the Department.

This office will seek to coordinate all volunteer effort by matching specific public needs with private capabilities. Through careful liaison with all institutions, it will initiate public requests for citizen assistance in specific areas, and it will receive and evaluate offers of service.

In developing reorganization plans for the Department of Institutions and Agencies, it has become clear that New Jersey lacks a comprehensive policy in the field of child welfare and family services.

Historically, social services for children have come to rest with no specific agency. In order to remedy this situation and permit the Department of Institutions and Agencies to organize and intensify its efforts in the field of child welfare, I am recommending that a new Division of Youth and Family Services be created within the Department. The prime function of the Division will be to focus attention upon neglected, abused and problem children and marshal our present resources to meet their needs expeditiously and humanely.

It should be recognized that family services are rendered not by the State but primarily by the county welfare boards. By placing the Bureau of Children's Services within the Division of Public Welfare, the State has already recognized the close relationship between the child's problem and the family environment. I seek to maintain this

administrative relationship by transferring both the Bureau of Children's Services and the social services sections of the Division of Public Welfare to the new Division of Youth and Family Services.

In the development of future Division policy with respect to social services, it is apparent that raw data must be carefully collated and analyzed in order to provide solutions to our pressing social problems. At present the Bureau of Children's Services has a budget of \$14 million but has only one individual assigned to do research. This situation is totally inadequate. I will call upon the Legislature to authorize the transfer of the Office of Juvenile Justice to the Division in order that the Office may serve as the Division's research component.

The reorganization plan I have outlined will enable the new Division of Youth and Family Services to accomplish four major objectives.

First, the staff will be better able to provide continuity of care and greater coordination of effort between agencies.

Second, I recognize that there is often greater possibility for innovation when non-governmental agencies are encouraged to experiment in the field of youth services. I expect close cooperation between the new Division and private agencies as well as an expansion of purchase of services.

Third, the Division's staff will evaluate the role of the social worker in the light of modern social theory.

Fourth, the Division will improve the delivery and quality of services to clients and pursue innovative ideas. The Division's goal of strengthening the family and bringing the child to a healthy and stable maturity will be enhanced.

The creation of a new Division of Youth and Family Services will enable the State to carry out effectively, forcefully, and efficiently its mandate in the field of child welfare and allow the State to give a new priority to the improvement of adoption services and to the protection of abused and abandoned children. It will also help solve many problems confronting New Jersey's day care program.

Within the past five years, there has been a remarkable surge in the demand for day care in New Jersey. The State has responded with various programs, each meeting a significant need in its own way. But few State responsibilities are as fragmented as day care. Three major departments -- Education, Community Affairs, and Institutions and Agencies -- share authority to finance, license, supervise, or operate important child care programs. This arrangement with its obvious and inherent limitations results in needless confusion, and unfortunately has impeded our ability to take maximum advantage of Federal day care funds.

I am proposing a major restructuring of the State's administration of day care programs which will provide advisory rules for interested citizen groups and the State departments. It will also make possible an integrated State policy and a coordinated approach to New Jersey's burgeoning day care needs. To these ends, I am recommending that fundamental administrative authority for the various day care programs be lodged in a new bureau in the new Division of Family and Youth Services. I recommend further that a State Day Care Coordinating Committee be formed, with representatives from interested public groups and State agencies.

This new Bureau should be given the following functions: the Day Care 100 Program (now located in the Department of Community Affairs); authority to license day care centers and nursery schools (Department of Education); and the Early Childhood Demonstration Project (Department of Education). These would be added to the Department's existing responsibilities for the Work Incentive (WIN) Day Care Program and Title IV-A (Social Security Act), social services funding.

Although centralized administrative authority must be established, the key elements in this new day care agency will be flexibility of approach and rigorous evaluation of results. The new agency should continue to support alternative models of providing care, and also experiment with others, such as centers operated commercially or by local Boards of Education. Since none of these approaches has yet conclusively proven itself, continuous research should be undertaken on the costs and benefits of different approaches to day care.

In order to assist in the development of an integrated State policy on child care, I am directing establishment of a New Jersey Child Care Coordinating Committee. This committee will include a

representative from my office and representatives of local groups providing day care, the State Departments concerned with day care, professional groups, and parents with children in day care centers.

This committee will be given two specific tasks. First, it will develop a new comprehensive day care licensing code for the State. Second, the committee will recommend an orderly plan for the expansion of day care in New Jersey.

The Federal government has already given New Jersey \$100,000 in funds to finance staff assistance for a State coordinating Committee. Several staff members have been hired and are presently located in the Department of Community Affairs. With the formation of a new Division of Youth and Family Services, this staff will be transferred to enable it to work closely with the new, consolidated day care agency.

Mental Health

Mental health is not a problem that affects only the other person; it is not a rarity to be taken lightly; it will not pass away if unattended. In the critical area of mental health, there are many unsolved problems: a lack of coordination and availability of services; inconsistent quality in the services available; and need for new capital construction, day care facilities and improvement in the use of community based resources on a regional basis. Priority attention will be given to each of these.

At Greystone Park Psychiatric Hospital population reductions have resulted in accelerated diagnosis and treatment. I am, however, concerned that improvements and renovations of this institution have not proceeded with sufficient urgency. In my judgment, in spite of the increase of community mental health services, residential services remain a necessity for some and must be modernized and humanized. That is why I wish to expedite the capital construction and physical rehabilitation program that has been mapped out for Greystone.

The problem of mental health cannot be met unless, in the immediate future, we fill the position of Director of the Division of Mental Health. It is essential that a dedicated and highly qualified individual be recruited for this position and I have directed that all necessary steps be taken to insure that this is accomplished. It is likewise necessary that we encourage and take the advice of interested professional groups on mental health matters.

To some extent the problem of improving facilities for the mentally retarded will be alleviated when the various programs made possible by the 1968 bond issue come to fruition. New facilities will become available at the Vineland, Woodbridge and Woodbine State Schools and will, of course, result in a significant improvement of the level of care for the populations of those facilities. Although advances have been made, much remains to be done, particularly in the area of diagnosis, evaluation and prevention. Emphasis on programs for early childhood education of the retarded in conjunction with regional diagnostic centers would once again place New Jersey at the forefront in mental retardation services. This emphasis will be forthcoming.

The importance of providing day care assistance to the mentally retarded cannot be overemphasized. While these persons can be treated without the tremendous expense of residential placement, they are no less in need of our fullest assistance. The opening of six new day care centers will mean that 234 handicapped children who are unable to participate in ordinary school programs will be able to receive the benefit of specialized training. It will be necessary this year to request appropriations for training and for hiring skilled personnel to make these new facilities come to life. In addition, the purchase of care program will be expanded in order to place more retarded youngsters in private facilities.

There can be no higher mission for this Legislature and the Executive Branch than to make our state institutions truly centers of compassion, hope and healing.

CORRECTIONAL REFORM

New Jersey did not require Attica's tragic spectre nor Rahway's grim reality to demonstrate the need for major correctional reforms. The warning signs of failure and the challenge of systematic change have long been apparent. In recent years, it has become clear that the present approach neither curbs crime nor saves taxpayers money.

In urging an immediate effort to reduce the relentless cycle of crime and recidivism, I announced to the Legislature last year appointment of a Commission on Vocational Education. The report recently submitted to me by this Commission has outlined partial improvements designed to assure that no man who leaves prison will be forced to return to crime because he lacks job skills or work opportunities.

The State Law Enforcement Planning Agency and the Department of Labor and Industry are now combining implementation of this report with efforts to obtain almost \$2 million in Federal assistance for establishing a statewide job training and placement program.

The active participation of industry and labor is being sought and encouraging preliminary discussions indicate that a major work release project employing inmates to rehabilitate core city housing will become a reality.

During the past year, other progressive measures have been taken by New Jersey's correctional administrators.

- telephone installations have permitted direct communication with family and friends;
- an experimental weekend furlough program now offers a means of gradual re-entry into the community;
- the work release program has been dramatically expanded;
- new educational opportunities including college level courses have been established.

While viewed individually these measures fall far short of systematic change. Taken collectively they represent a major commitment to a modern and humane correctional system that truly "corrects."

The present prison population of 3,340 men is crammed into institutions which should reasonably accommodate 2,700. In terms of security, rehabilitation, respect for human dignity, efficient administration or any other reasonable measure, existing physical plants are woefully inadequate. Stating the need for new construction in terms of overcrowding, however, does not take into account a projected increase in prison population. Nor does it effectively describe the compelling urgency for phasing out the Trenton Prison which has been condemned as obsolete by authoritative public reports since 1914.

Having inspected this facility, I can report that if there can be any doubt of the need for new prisons, it will be dispelled by visiting this institution, where windowless cells built in 1834 for one man are now housing as many as four inmates.

The Department of Institutions and Agencies request for construction of three 500-bed prisons is now being reviewed on a

priority basis. In view of the critical requirement that any construction be located near major population centers, so that maximum use of community resources can be made, and the fact that 55 per cent of admissions come from the northern area of New Jersey, site location has been narrowed to Passaic, Bergen, Essex, Hudson and Union Counties.

In the near future, this review will be completed and decision made as to the proposed number, size, cost and location. This review will include a current examination of all existing facilities and the possibility of expansion in order to insure that no new prisons are recommended to the public unless and until there is a clear, convincing demonstrated need. At that time I will report to you and the public my recommendations and ask your cooperation in putting the question before the public.

In this connection, I propose that priority attention be given to developing institutional programs for treating narcotics and dangerous drug abuse.

In my judgment, estimates that more than half of the inmates of New Jersey's correctional system have drug problems require this emphasis. Specific action will include:

- establishment of counselling and treatment programs within institutions;
- specialized parole personnel to supervise and assist parolees with a history of drug abuse.
- a determination of the type of institution best suited for the treatment of prisoners sentenced by our courts for serious drug addiction. Studies already underway will hopefully be completed in the near future. Early findings persuade me to believe that those sentenced for drug abuse, particularly when the sentence is disassociated with serious crime, should be housed in a facility other than our State prisons in order to increase the probability of rehabilitation.

I am also concerned by the lack of work opportunities available to inmates during their confinement. At present, the average wage paid to inmates is only 45 cents per day. The consequences are many and negative.

I propose that the 45 cent per day average wage be replaced by a work incentive program that will permit inmates to earn as much as \$1 per day.

I, therefore, recommend continued major expansion of the work release program and increased inmate wages. To this end, positions for work release coordinators at each institution have been authorized. I have also requested all Cabinet officers to review their Departments' operations and to submit to me an inventory of jobs and tasks which can be reserved for work release employment.

The location of some of our prisons, particularly Leesburg, in an area where few job opportunities exist, has made the expansion of work release programs most difficult. It also has persuaded me that new housing for prisoners should be located in metropolitan areas where job opportunities are more available.

The urgent need for an intensive education program is dramatically illustrated by the fact that 70 per cent of the adults newly committed to correctional institutions are less than 30 years old and that the majority are school dropouts with a formal education level lower than the eighth grade.

In my opinion, failure to provide men, who have most of their lives ahead of them, with job skills and the degree of literacy necessary to function in society, is, at best, false economy. For there is little doubt that, without education, they will return again and again to the treadmill of crime and imprisonment.

I have recommended an education program which includes:

- conversion and renovation where needed of existing facilities to provide classroom space;
- extension of the Department of Education's mobile classroom job training program to correctional institutions;
- expanded high school equivalency and college credit courses;
- establishment of a full range of formal vocational courses at Leesburg;
- construction of an Educational building at Bordentown.

Additionally, discussions are now pending between the Department of Education and the Division of Correction and Parole to establish a comprehensive correctional school district. This plan, which seeks to maximize Federal funding eligibility and to strengthen the administrative structure of prison education, has proven successful in several other states. I am also recommending that a division level educational superintendent be appointed, whose responsibilities

will include coordination of all education in the correctional system, liaison with the State Departments of Education and Higher Education, and the improved use of community resources.

Despite improved treatment programs and more humane living conditions, confinement in an institution remains a debilitating and dehumanizing experience. It is clear that we must seek community-based alternatives which will assist and supervise offenders who are re-entering society. I have authorized the establishment of three correctional community service centers. The basic services these centers will provide include:

- a residential setting for work, education, vocational training and furlough opportunities for sentenced offenders whose release is imminent;
- intensive supervision for selected parolees;
- a "hot line" service for parolees and ex-inmates and their families in order to permit quick response to their crisis situations;
- "halfway out" services such as family counselling, legal aid, and employment placement.

Parole Reform

The structure, procedures and jurisdiction of the New Jersey Parole Board have remained the same since its organization in 1948. However, during the past 23 years numerous changes have occurred that render the Board, as presently constituted, inadequate to its important responsibilities.

Subsequent to my public announcement that I would recommend the expansion of the present Parole Board from a full-time Chairman and two part-time associate members to a three member, full-time Board, I received the recommendation from the Rahway prisoner representatives that the Board be expanded to seven members. While I appreciate the prisoners' thinking and understand fully their concern for swift determinations of parole applications, I have decided that three full-time members can accomplish the necessary work expeditiously. I will, however, watch the progress of the newly constituted Board with great care, and in the event the assigned and necessary work is not completed with dispatch, request this Legislature to recommend any additional members that I feel are necessary.

In addition, I will direct the Board to give priority to developing more equitable and rational parole criteria and a critical evaluation of the data and factors viewed by the Board in its decision. I will also direct the Board to give more individualized consideration to inmates eligible for parole, more frequent hearings and review of decisions, and to develop a "due process" in hearings and review proceedings.

The objectives outlined will necessarily require adequate staffing and a major increase in the Board's present budget. In this connection, I have directed the Board to assign a "parole counsellor" to each of the three prisons. They will be located full-time at the institutions to interview inmates, obtain biographical and institutional data, help inmates prepare for the parole hearing, make recommendations to the Board, and to assist prisoners articulate their viewpoints in appearances before the Board.

I am also concerned by the entire system of criminal sentencing and its relationship to parole. In my judgment, too frequently criminal sentences are widely disparate, lack uniformity, and are imposed without a statement of reasons or according to mandatory standards. Preliminary studies indicate that similar crimes under similar circumstances committed in different parts of the State result in widely different sentences. Therefore, I have asked for a study of sentences for similar offenses committed under substantially similar circumstances to determine the extent of disparity. Upon receipt of this study, I shall make recommendations I feel necessary to correct any inequity that may exist.

Similarly, I question the advisability of mandatory legislative requirements that prevent the Parole Board from even considering rehabilitated inmates who are excellent parole risks but who have a past criminal history. During the months ahead my Administration will give careful consideration to whether legislative changes should be recommended.

County Jails

Archaic physical plants, lack of correctional programming and intermingling of all types of prisoners in overcrowded facilities are characteristic of too many county jails. I have been particularly concerned with the fact that many of these problems are caused by court congestion.

Recommendations for reform are not lacking. Programs of State aid and construction of regionalized facilities are progressive measures which offer hope for improvement.

Regrettably, given New Jersey's limited fiscal resources, it is not feasible to consider the massive financial commitment full-scale implementation of these measures requires. This does not mean that we cannot nor should not attempt to initiate substantial reforms. I am proposing a commission to recommend improvements in New Jersey's county penal system. Among the immediate specific tasks of this commission will be:

- a study of the adequacy of security regulations and procedures;
- an expanded program of State inspection and technical assistance;
- increased use of existing community resources for rehabilitative programming, such as work and study release;
- recommendations for cooperative State and inter-county sharing of facilities;
- an evaluation of classification procedures to segregate juveniles and first offenders from more hardened criminals.

These recommendations, both on a State and county level, can be the beginning of meaningful reform in our prison system which will take us out of the dark ages and place us on the road to a successful program of rehabilitating and restoring prison inmates to a useful place in our society.

JUVENILE JUSTICE

In New Jersey, children in trouble with the law, or in need of protection and care, are confronted by a system of discretionary justice substantially unchanged for half a century, a critically limited range of social services and shelter, and a bewildering confusion of administrative jurisdictions. Too frequently, the only alternative available for such children is commitment to an institution, where, labeled as delinquents, their despair is replaced by bitterness and hostility. "Patchwork" changes will not resolve present shortcomings.

Improved planning and clear lines of administrative authority can help pave the way for a new emphasis on youth services.

However, in the area of juvenile justice it is clear that much more than structural reorganization is required.

I shall propose to the Legislature a comprehensive revision of laws dealing with juvenile delinquency and parent-child-State relationships. Importantly, the proposed Juvenile Code will eliminate inequitable distinctions between juveniles and adult offenders. It will also permit courts to assert protective jurisdiction over juveniles who have committed no crime but who cannot remain in intolerable home situations.

Unlike present law, the Code would not require children to be placed in protective custody. The Code would also broaden alternatives open to the juvenile court. As an example, a child need not be placed on conventional probation, but rather, supervision could be given to any person who was approved by the court and accepted this duty. Thus, it is hoped that programs of volunteers in probation will be encouraged.

Concomitant with legislative reform will be a major effort to develop community alternatives to institutionalization. Experience has demonstrated that juveniles in trouble have a far better chance of maturing to a productive life if they are permitted to remain in their home communities, under supervision and guidance, than if they are committed to impersonal institutions, cut off from school, family, and jobs.

The three youth halfway houses I authorized last year are important steps in this direction. In addition, I am requesting the State Law Enforcement Planning Agency to approve an application by the Administrative Office of the Courts for conducting research and demonstration projects which will chart community alternatives to juvenile institutionalization in selected areas of the State.

One of the most promising means of providing community care and supervision for youngsters who are not hardened delinquents, but who cannot remain in the custody of their parents, is the development of a network of group foster homes. Experience with such homes in other states has proven them to be extremely successful in preventing further delinquency and dropping out of school.

I propose an experimental program by which any community in the State desiring to establish one or more group foster homes will be eligible to receive 100 per cent operation funding through the State Law Enforcement Planning Agency. Staff personnel selected by the

community will be given technical assistance and training by the new Division of Youth and Family Services as needed.

The sole requirement for State assistance will be that the community, through its official governing body, designate and make available a residence which can accommodate six to ten children.

It is hoped that this will enable communities to deal more effectively with youth problems according to local needs.

Whether a totally community-based juvenile treatment system is either feasible or desirable remains unsolved. In the interim, it is clear that we must humanize New Jersey's juvenile correctional institutions. While recognizing inherent limitations, we must seek to support their mission of rehabilitation.

This will require expanded education and vocational training opportunities and new counselling and treatment programs. I have requested the Division of Correction and Parole to initiate an immediate planning effort. I have specifically requested evaluation of the following.

--implementation of a "career development" educational program at Jamesburg where there is currently limited vocational training. This would make youngsters aware of their future opportunities and, if properly designed, could provide remedial reading and math skills, as well as some degree of job training;

--the establishment of a centralized learnings disability testing team which would provide services to all youth and juvenile correctional institutions. The goal here is not only to improve educational programs but to help youthful offenders get back into school. The results of this testing and educational progress could be made available to local schools and teachers;

--implementation of a financial incentive learning program at Jamesburg which would reward youngsters for educational diligence and achievements;

--provision of a flexible "Mini-Grant" for each institutional superintendent for staff-initiated innovative rehabilitation projects such as hobbies, sports and recreation.

Last year, I asked the Department of Defense to undertake a summer camp program for underprivileged youth from all counties to be conducted at the New Jersey Training Center at Sea Girt. In my view, such a program accomplished two things. It provided a camping experience for boys who otherwise might spend the entire summer in the city. It also provided the New Jersey National Guard with an opportunity to strengthen its image with the youth of our State.

The program reached underprivileged boys aged 10 to 13 and, over a four-week period, 513 boys were hosted by the National Guard. They were recruited under the direction of the Department of Community Affairs, utilizing the services of the Urban League and the Community Action Program.

This successful program will be expanded in 1972 to handle 800 boys. Moreover, the commanding general at Fort Dix has agreed to initiate a program for 200 underprivileged girls next summer. Fort Dix facilities and personnel, particularly the Women's Army Corps, will carry out the program in coordination with the New Jersey National Guard.

The experience and knowledge gained by the Guard working with the Governor's Youth Program last summer provided the base for initiating a year around program for underprivileged youth at armories throughout the State. I am pleased to announce that the Guard has now embarked on a youth program which eventually will reach 46 communities in 21 counties where armory installations are located.

Initially, it will be directed to those boys who participated in the Governor's Youth Program last summer and gradually expand to accept other youths of the community in the same 10 to 13 age group. Activities will include educational projects, arts and crafts, athletics, field trips, and character guidance.

I am delighted that Federal cooperation will not only double the Governor's Youth Program next summer, but also will move the National Guard into a continuing program throughout the year.

Through such programs as I have outlined we reaffirm our commitment to the principle that what helps youth will help New Jersey.

HEALTH

Quality health care can no longer be considered a privilege; it is the right of all. I believe that all our citizens deserve and should have the best possible health care -- when necessary, where necessary, and for as long as necessary --- without completely exhausting their financial resources.

Toward that goal, I intend to submit legislation and propose programs to stimulate construction and expansion of health facilities, expand the boundaries of local health service units, regulate clinical laboratories and deal with such critical problems as alcoholism and sickle cell anemia.

Doctors and dentists, of course, are a prerequisite for quality health care. For a State that for years neglected medical education, the gains we have made in this field are dramatic.

The projected total number of medical and dental students for 1972-73 at the New Jersey College of Medicine and Dentistry in Newark, Jersey City and Rutgers exceeds 900. When I took office in 1970 that number was only 546. The most striking gain has come at Rutgers, where the increase in medical students has been sixfold -- from 32 in 1969 to an expected 192 this year.

Our growth in numbers of students and quality education illustrates the new vision and leadership of the unified board of trustees and our new president.

A major milestone in this field occurred last year when ground finally was broken for the construction of permanent facilities in Newark for the medical-dental college. The school has been operating under the limitations imposed by temporary facilities.

We also have embarked on an all-out cooperative State-federal effort to persuade the Veterans Administration to construct a new hospital in Southern New Jersey as the key to development by the State of a third medical school in that part of the State.

For the first time in 1972, Rutgers will expand from a two-year medical college to a full four-year curriculum. This means that in 1974 Rutgers will graduate its first students with full medical degrees, rather than watching many of them go out of State after two years of education. The change at the Dental School from a four-year to three-

year curriculum will accelerate the graduation of dentists to help serve the health needs of the State.

Legislation also was passed last year and signed into law by me to end discriminatory requirements for internships and residencies against New Jersey students who attend medical schools in other countries.

I am also happy to report to you that the goal of health care at reasonable cost received significant impetus with the passage last year of bills that made major changes in Blue Cross operations in the State. As a result, the Blue Cross financial picture has been stabilized and should preclude the need for rate hikes this year.

Health Facilities

It is obvious that many of our hospitals and health care facilities are becoming obsolete, and no longer are adequate to meet the needs of modern medicine. Their replacement and modernization are essential to protect and prolong life. Yet, soaring costs have made it clear that this can no longer be accomplished by private enterprise.

To meet this challenge, I will submit legislation to establish a "New Jersey Health Care Facilities Authority." The Authority would issue tax-exempt bonds to raise the necessary revenues to finance construction, expansion, modernization, and purchase of equipment for hospitals and health care facilities.

Such a program would demonstrate clearly the interest of this Administration and this Legislature in seeking to encourage modern, properly-located, well-equipped facilities to provide health care of the highest quality.

Health Services and Care

While the Authority would represent a key contribution by State Government in attacking a national crisis of health care, the problem requires a new concept of inter-governmental cooperation on all levels to supply quality local health services.

Accordingly, I will submit legislation to enable the expansion and regionalization of local health services, including, for the first time, the provision of County Boards of Health in every county.

It is apparent that smaller municipalities, with low populations and minimal tax bases, have difficulty establishing health departments providing adequate services and meeting minimum standards. Five hundred municipalities in New Jersey are below the 25,000 minimum population set by the State Health Aid Act of 1966 for State aid to local health departments. The need for larger area health units is obvious.

The legislation I will submit would require that the residents of every community have access to acceptable local health services. Each municipality that does not meet that standard would be given the opportunity to select one of five methods to comply:

(1) Create a municipal health agency; (2) Contract for service with a larger health agency; (3) Join a regional health commission; (4) Become part of a health district; or (5) Utilize a County Health Department.

If no choice is made within 18 months, the State Department of Health would necessarily provide the proper health services and would require an appropriate contribution from the municipality, as well as State aid money, to pay the cost.

Thirteen counties are now trying to meet the pressing need by providing public health services to municipalities on a contractual basis, even though such arrangements do not provide a sound administrative or fiscal base. This only emphasizes the need for legislation that would give a solid legal base for county health departments.

The challenge of making greater utilization of our total health manpower is inevitably tied closely to the effort we have outlined for quality health facilities and services.

We must continue to strive to provide for more and better qualified physicians, nurses, and paramedical personnel. We also need greater productivity by physicians and nurses already in practice, both by modern techniques and by using paramedical personnel to relieve them of routine work.

War on Disease

Medical science depends not only on proper facilities and skilled professionals, but also on the accurate results of laboratory tests in the diagnosis of disease. I intend, therefore, to submit legislation for

regulation of clinical laboratories by the State Health Department to assure the highest level of professional standards. It also may be possible to bring within the scope of that legislation the regulation of medical technologists and technicians, a need acknowledged by the medical and allied professions.

One of the major health problems in the United States is alcoholism, ranking as a hazard along with heart disease, cancer, mental illness, and respiratory ailments. There are more than 200,000 alcoholics in New Jersey. It has been estimated that industry suffers a loss averaging 25 per cent of the annual salary of the problem drinker it employs. Thus, alcoholism costs New Jersey industry the staggering loss of more than \$150 million a year!

Clearly, we must develop a comprehensive program to seek effective ways to prevent, treat, and rehabilitate alcoholics. My administration will initiate an alcoholic control program with maximum emphasis on promotion and development of programs in industry and business.

A tragic side effect of the drinking problem is the toll of human life and property damage from drunk drivers. The blood-alcohol content test in our present law for drunk or impaired driving is too generous and needs serious revision. Scientific evidence indicates that drunk driving occurs before the 0.15 per cent level set by our present statute.

I will ask for legislation reducing this standard to 0.12 per cent for driving under the influence of alcohol, with a corresponding reduction of the level for the offense of impaired driving.

Another serious health menace is sickle cell anemia, a hereditary blood disorder which strikes our black population, producing tragically high infant mortality from this disease. Few who contract it live beyond age 30, adding another dimension to the day-to-day problems of life in our ghetto areas.

I, therefore, have directed the Department of Health to study the extent and impact of this disease in New Jersey and to make recommendations to me on policies, treatment programs, possible legislation and necessary funding to attack the problem.

In this assault on disease, the relatively new concept of "Health Maintenance Organizations" shows great promise because of the special emphasis on preventive medicine and care. Under this con-

cept, a legitimate private or public organization agrees to provide comprehensive health and treatment services for a voluntarily enrolled group of persons in a geographic area. These organizations are reimbursed through a pre-negotiated and fixed periodic payment by individuals or family units.

In my view, the HMO idea is an important concept for delivery of medical care for groups of people at predictable costs. Our Department of Health will assist in developing and planning experimental delivery health systems, such as Health Maintenance Organizations.

A related problem in fighting disease and injury is the steadily increasing demand for blood. In New Jersey the collection of blood for transfusion to our citizens is performed by a multiplicity of volunteer and commercial agencies operating under their own standards for the most part.

Since voluntary agencies have been able to provide only about 70 per cent of the blood needed by New Jersey hospitals, the deficit has to be met by purchases from commercial blood banks which pay their donors. The problem is that blood from paid donors has been associated with a 300 per cent greater risk of hepatitis than blood from volunteers. It has been estimated that nearly 40 per cent of all cases of transfusion-transmitted hepatitis could be prevented by the simple expedient of eliminating the need for commercial blood supplies.

There are approximately four million New Jerseyans potentially available for recruitment as voluntary blood donors, while our needs for blood amount to less than 200,000 units a year. We can meet this need with a rational organization of blood collection services in a unified donor recruitment effort spearheaded by the State Health Department.

I suggest the appointment of a commission of prominent citizens --- in no way related to existing blood banking organizations, hospitals, or medicine --- to investigate blood collection systems and to develop recommendations to correct the obvious, existing deficiencies.

This administration recognizes its serious obligation to protect the health of all our citizens and to make available the finest medical care at the lowest possible cost. We shall maintain our commitment to that goal.

ELEMENTARY EDUCATION

No phase of government should be more immune to the shifting winds of politics. Whatever our party affiliation, we should set it aside in this most vital area. During the past two years, this Legislature, usually acting on a non-partisan basis, approved new projects which are now operational and are scheduled for expansion this year. The important area of elementary and secondary education, for example, will benefit from increased financial commitments from the Executive and Legislative branches. We will, in addition, I trust, combine to implement new programs and expand those which we have found fruitful thus far.

During the past year, the Department of Education was able to establish two new educational research and demonstration centers to supplement the two which were already in existence in Newark and Vineland. Both of these earlier projects have been highly successful demonstration models for the teaching of disadvantaged youngsters. The two new centers, located in Trenton, are the Grant School State Learning Center and the Center for Educational Technology. The first is emerging as a model for exemplary programs in early childhood education. The second, the Center for Educational Technology, will be a "consumer protection agency" for school administrators in the field of technological equipment, material and processes in the field of elementary and secondary education.

Through a combination of Federal and State funds, we have been able to institute the "Our Schools" program. Through a series of Statewide, regional and local meetings, the Department of Education stimulated public involvement in setting educational goals. Pilot programs have begun in South Brunswick and Willingboro and I am happy to report that the "Our Schools" project has been uniquely successful and has provided a firm foundation upon which the State can establish educational objectives for the future.

For although we have made significant strides in recent years toward improving the efficiency and quality of education, the State continues to experience difficulty in accurately determining the area of greatest need. We know some disparities in achievement result in inequities in the distribution of wealth from district to district, but we cannot pinpoint the relationship between expenditure and achievement. In view of recent movements toward equalizing educational opportunities throughout the State, particularly in the courts, it is essential that current and accurate data be made available.

I am alarmed, quite frankly, about reports of the lack of reading ability on the part of children, particularly in the urban areas; and I am concerned that there is no reliable scientific test on a Statewide basis to determine reading ability and reading growth of our youth.

Accordingly, I will ask the Commissioner of Education and the State Board of Education to institute a Statewide testing program with emphasis on reading abilities for all public schools commencing in the 1972-73 school year. The testing program will be conducted annually at appropriate grade levels to be determined by the Commissioner. The test results will be combined and compared with other important data to provide a comprehensive body of information about educational needs throughout the State.

Another program which we hope to expand this year is the Emergency School Nutrition Program. You will recall that through the cooperation of the Legislature an additional \$2 million appropriation provided lunches for an average of 17,000 young people free or at reduced cost to the children. By the end of the 1971 academic year, the program had been so successful that 109,000 children were being served.

I am proud to report also that Vocational Education took a significant step forward with the introduction of the K-12 Career Development Program in the Camden, New Brunswick and Rahway school districts. This innovative program, the first of its kind in the nation, provides for a total career approach to learning within a single school district. As has been reported previously, there are a total of 18,000 students and about 180 teachers presently involved in operating the program on a test basis. Because of preliminary evidence of success I am recommending that an appropriation of additional funds be made in the amount of \$747,000 to fill program gaps and to extend the program to additional schools in the three pilot districts.

These programs, along with the federal program now being launched in Hackensack as a result of our experimental efforts on a State level, opened the way to a more meaningful life for many of our youngsters. Without minimizing the desirability of a college degree, I submit to you that many of the young boys and girls and even young men and women are lost in today's society because of a lack of vocational training. There are other advances and achievements which can be catalogued. The fact that \$24 million worth of facilities

for vocational education training, accomodating more than 5,000 students, were added to the State's capacity in 1971 is an outstanding example.

The tremendous growth of the surplus property now available to educational institutions through the Department of Education is another, plus the successful Statewide program of mini-grants for teacher innovation programs.

But, these are accomplishments of the past which I hope will grow. More importantly, we must make a determined effort to be progressive and to meet the needs of today's society. The 1970's will continue to be a decade in which the fundamental concepts of education are consistently being re-evaluated.

We have long been aware that the physical plants of our educational system receive only minimal use and sometimes none at all during the summer recess. Furthermore, society loses when our teaching professionals are forced to accept summer employment which does not utilize their valuable experience. Finally, but not the least of our concern here, must be the students themselves. They are developing maturity at a more rapid rate than previous generations and are increasingly interested in assuming the responsibilities that such maturity entails. The "summer recess" anticipated so fervently by students of another generation is no longer so desirable and may be a period when the mind lies fallow rather than develops.

The extended school year concept has been experimented with in the past, but with cost reduction as its primary goal. I propose that we re-examine this concept from the point of view of improving the educational experience.

Such a system would permit students experiencing learning difficulty to repeat a part of a school year and thus avoid the psychological implications associated with "staying back".

Recognizing that there are a variety of extended school year plans and that not all of these plans are applicable or acceptable to New Jersey school districts, I have asked the Department of Education to develop pilot programs in a limited number of volunteer

school districts.

Another area of critical concern which should attract our attention is a question of the adequacy of the education provided for the emotionally disturbed, the deaf and the multiple-handicapped children. Dedicated local officials and volunteers have made a significant contribution, but their efforts have been insufficient to deal with this extremely difficult and growing problem. It is evident that the State must undertake a much greater commitment in helping these children, their parents and the local school districts with this difficult problem. I, therefore, propose today that \$500,000 be appropriated to establish regional day school centers that will offer a full range of educational programs to impaired and disturbed children.

I see these programs as an important beginning to a whole approach to education that we can use as a springboard to greater achievements in the future. Together we should develop a combined program that enables young people to be better equipped as they move out of the elementary and secondary educational systems and into the State's working force or its higher education programs.

No more important task confronts all of us than our responsibility to our youth, particularly in their formative years when their future may be irrevocably cast. We must insist on the very highest quality in the delivery of education in this State.

HIGHER EDUCATION

Higher Education in the 1972 fiscal year has registered real gains in providing opportunities to New Jersey's young people and in the breadth and quality of available programs. It will be my objective in the coming year to continue this progress as rapidly as the resources of the State permit.

First, this means providing the resources to continue the expansion of our existing public higher education institutions which during the 1972-73 academic year plan to add new spaces for 16,800 young people, including 14,300 full-time undergraduates and 2,500 full-time equivalent students. As a part of this expansion, the two new state colleges, Ramapo and Stockton, expect to increase their enrollments to 1,800 and 1,600 respectively. These institutions are clearly needed in their areas and offer diversified liberal arts programs.

More efficient utilization of space will provide for some additional students. Cook College, for example, a new undergraduate co-educational college on the New Brunswick campus of Rutgers, will permit the University to expand its enrollment by 1,200 students next fall in facilities located on the campuses of the College of Agriculture and Environmental Science and Douglass College. The new Community College in Passaic County is expected to grow from 300 to 1,100 students this coming fall.

The State Board of Higher Education in November unanimously recommended a program of financial assistance to private colleges and universities to provide greater enrollment for New Jersey's young people. The program was proposed with the intention of keeping these institutions of higher learning as a vital part of our educational community. I share the view of the Board of Higher Education and recognize that there is a need for providing more places for New Jersey's young people in private colleges and universities. There is a very real danger that these colleges and universities, which are facing increasing economic hardships, may cease as viable entities and will no longer be able to supplement the education that is available through State financed institutions. This would be a catastrophe which would cause an even greater burden upon the taxpayers of New Jersey. Recognizing these needs, I will recommend in the days ahead State aid for private colleges in an amount consistent with our overall responsibilities to insure enrollment for several thousand additional students.

A second major thrust will be expanded opportunities in diverse programs geared to the needs of a greater number of our citizens. The most important new program is the External Degree. This program will enable our citizens to secure a college degree through examination, home study, and credit for work experiences. Those who work, those who are older and never had a chance at college and those who want to accelerate their progress through the educational process, will find such a program offering expanded horizons. This program offers an efficient method of making learning programs available to prisoners in our institutions, persons confined by illness, and others whose circumstances do not permit attendance at formal educational institutions.

A related undertaking involves cooperative education, which offers an opportunity to alternate college attendance with a semester of work either as a means to finance one's education or to explore various career areas.

We are exploring with the private business and technical schools the terms and conditions under which they would be authorized to offer degrees and certificates.

The Department of Higher Education continues to plan for the long-range needs of higher education in our State. Phase III of the Master Plan, which is now under way, will explore the best assignment of highly-specialized programs among the various institutions. One of the first concerns will be the evaluation of the manpower situation in the elementary and secondary education fields, and the assessment of the best modes for preparing teachers.

One of the results of efforts toward increased cooperation among institutions, the Council for Higher Education in Newark, is now a going concern. An Executive Director has been chosen, and the impetus to inter-institutional cooperation which the existence of CHEN has assured will be strengthened under this arrangement so as to assure an efficient use of higher education resources in Newark.

Finally, I would mention the shift in financing of State colleges to provide funding on a full-time equivalent basis. For too long, part-time or evening students have been second class citizens so far as State contribution to the funding of their educations has been concerned. We are anticipating the melding of day and evening schedules into a cohesive 14-hour day. Such an evolution would, we are persuaded, provide higher quality programs, greater access and full utilization of facilities.

It is my firm intention to keep our State moving forward to provide for all New Jersey citizens educational opportunities -- varied, open and challenging -- to meet their diversified needs and concerns.

ENVIRONMENTAL PROTECTION

With the support and encouragement of the Legislature, exciting developments have occurred in the environmental field in the last two years. The Wetlands Act of 1970 recognized the unique value and problems of our coastal and estuarine areas. The Water Quality Improvement Act makes clear that those who despoil our waters are responsible for repairing the damage. The Pesticide

Control Act of 1971 was another milestone on our road to sound environmental management. The Solid Waste Management Act, which was signed into law in 1970, gave the Department the power to supervise solid waste collection and disposal practices.

These are illustrative of the accomplishments which have been made, but much more is required. I pledge to you my continued support to regenerate our environment to the quality we must obtain if we are to survive. The citizens of this State have a right to a wholesome environment and with your assistance, we can protect and enhance that right.

In viewing the accomplishments of the last 50 years in relation to the total spectrum of our environment, no areas have received more attention with less constructive advances than sewage and garbage. Modern technology has surpassed the imagination, yet we permit our garbage to be piled high on our land and raw sewage dumped indiscriminately in our waters. This degenerative process has accelerated in recent years and has now reached a point of crisis.

Although some sewage treatment facilities operate effectively, others are antiquated and of little or no value. Basically, the failures are due to spiraling construction costs, problems associated with revenues, in some cases pure inefficiency, in other cases regional and parochial conflicts. Whatever the reasons, the results are self-evident.

In an effort to expedite a solution to this problem, I propose the creation of an independent State Clean Waters Authority which will be empowered to acquire, construct, and operate sewerage systems when so directed by the Department of Environmental Protection. It will raise funds through the issuance of tax-exempt bonds to assist in compliance with applicable water quality standards. In those cases where local officials or agencies are unable or unwilling to comply with administrative orders of the Department of Environmental Protection, this Authority would be permitted to assume control and operate existing facilities or build and operate new treatment plans where warranted.

I previously referred to the problem of garbage. This vital subject matter has received concentrated attention at the State, city and local levels. Our attempts at solving the problem have been, at best, of short duration. Most agree the landfill method is not the full answer. State officials and others have been studying the

feasibility of incineration. These are solutions which we must recognize and implement but they are temporary in nature. The long-range answer to the garbage issue lies within the boundary of recycling.

The wise management of our natural resources requires that we recognize that the ecological cycle is a closed loop, and, therefore, we are truly unable to throw our wastes away because there is no "away". Dedication and research will be required if recycling of solid wastes is to have a long-term impact on our environmental problems. Private citizens and volunteer groups throughout the State have so far shouldered the recycling burden. These concerned citizens deserve the highest praise, for their actions have pointed the way to effective management of our waste products. What is needed now is a more comprehensive effort to recycle our solid waste, and this effort must be made by our citizens, private enterprise and government at all levels.

Recycling, broadly defined, is the answer to many serious environmental problems. In its broadest sense recycling means much more than collecting for re-use our castoff bottles, cans, and newspapers. It means that we must adopt a new way of looking at our resources. We must recognize that they are limited and must be conserved.

Thus, our new sewage treatment plants should be designed to recycle water so that when the effluent from our homes and industries passes through the well-designed plant the product is returned upstream to be re-used. Recycling means ending the unwise and dangerous practice of disposing of chemical wastes and sewage sludge at sea, and finding methods of treating the material so that it can be put to some beneficial purpose. Recycling requires that we recognize that we can no longer afford to be wasteful of our finite resources.

A significant portion of our solid waste problem and our litter problem is a direct result of modern methods of convenience packaging which lean heavily on difficult-to-dispose-of materials. I am, therefore, directing the Department of Environmental Protection, through its newly-created Advisory Council on Solid Waste Management, to devise a statutory basis to control the use of packaging materials, to increase the amount of such material that is recycled and to encourage both the manufacturer and the consumer to produce and purchase products packaged in simple, easy-to-

dispose-of, or recycled materials. Recycling is the way of the future. It is the path we must follow.

The announcement by the Federal Government last September that many of the replacements for phosphates in detergents are more dangerous than the ones formerly used demonstrates the need for effective regulation of the contents of all cleaning agents. These detergents are injected into our environment, particularly our water supplies, in quantities great enough to endanger human health, imperil our natural surroundings and increase the cost of water treatment at a time when we are facing decreasing supplies of potable water. The proposed Cleaning Agent Control Act was introduced in the last session and public hearings held. The same bill will be re-introduced in this Legislature, and I am hopeful you will give it your speedy and favorable attention.

All of us are contributors to environmental degradation, consciously and unconsciously. One such violator is government itself. The continuation of government as a violator undermines public confidence and must be corrected. One of our most important goals will be to insure that Federal, State, local and regional governmental agencies observe all environmental statutes and regulations and thereby set an example for our citizens. Another violator is industry. Many companies in our State have achieved outstanding records in combatting pollution. Others refuse, and we must vigorously prosecute. There are still others who are willing, but do not have the financial means to do that which must be done.

In order to encourage industry to assist in the process of cleaning up waste which pollutes our environment, we are proposing the creation of a pollution control authority with the power to issue tax exempt revenue bonds. By this method, industrial and commercial concerns will have the opportunity to borrow money at an interest rate less than present rates, thus lowering costs of compliance. Any financial vehicles suggested here would not conflict with existing sewerage and utilities authorities and would only operate with the affirmative approval of the Department of Environmental Protection.

Even the most rigorous enforcement of the environmental legislation already enacted, and of those bills which I have today recommended to you, will not guarantee us a decent environment for the future. An environmental balance must be struck and legislative and executive decisions made to maintain it.

We do, indeed, seek more industry in New Jersey to sustain a growing economy but we must be selective as to the kind and its location. We are in urgent need of more dwellings for our citizens, but we do not want them constructed on unsewered, filled-in coastal marshland. To accommodate those residents who seek apartments, we need more high-rise buildings, but we ought not to construct them in the flood-plains of our streams and rivers. We welcome commerce in our State, but we do not want its arrival to consume our farmland, ushering the vital agricultural industry into oblivion.

The development ethic which served us so well when the frontiers were limitless and clean air and water were here in abundance can no longer be our only guidance. Balance is the key. To the extent that we can help achieve it by legislative enactments, we will make appropriate recommendations to you. To the extent that balance can be maintained by executive decisions, we will make them.

We do not own the environment. We hold it in trust for future generations. As trustees, we are held to a higher standard of care than if it were in our unrestricted possession. We intend to exercise that care and we hope to have the wisdom to do so in a way that will make future generations grateful.

AGRICULTURE—OPEN SPACE

Two of New Jersey's most precious resources—open space and the farm countryside — are threatened by the rapid residential growth and business development that have made our State the most urbanized in the Nation.

While we are committed to seek an expanding economy for the welfare of all our citizens, we have made it clear that balance must be the keynote of that effort. The preservation of New Jersey agriculture is essential to maintain balance in both our economy and environment.

We recognize that in addition to the encroachment of non-farm development, our farmers also are confronted with many serious economic problems. We have, therefore, directed our Department of Agriculture to make its top priority the mobilization of all available State resources and talents to assist our farmers.

Another landmark in our program to conserve our State's priceless land heritage was approval by the voters last November of the \$80 million "Green Acres" bond issue. I am pleased to report to you today that the State Department of Environmental Protection has moved with impressive speed to translate that approval into an action program of open land conservation.

Early in December, the Legislature approved a request for the appropriation of \$20 million of the bond money. With an additional \$10 million of estimated available Federal matching funds, we will acquire a total of \$30 million of open space and recreation lands from this initial appropriation. More requests will be forthcoming.

The Department of Environmental Protection already has conducted a number of seminars and informational meetings to outline the procedures for applying for Green Acres grants to local officials and members of conservation commissions and park and recreation boards. More than 350 preliminary applications already have been received.

Among the top priority projects the department has listed for acquisition this year are:

Expansion of the historic Princeton and Monmouth Battlefields; completion of Liberty Park in Jersey City, Allamuchy State Park in Hackettstown, and Edison State Park in Middlesex County; a number of boat launching sites along the Delaware River from Mercer County north to the State line; selected sites for preservation of the Pine Barrens and fishing and natural areas on the Black River in Morris County.

Well before everyone else became aware of the alarming decline of open space, our farmers historically led the way as conservationists.

Working closely with agricultural agencies and the soil conservation service, they have sought to conserve and improve their land holdings. However, the demands of modern society and the advent of new pesticides, insecticides and fertilizers have made land and water resource conservation a difficult challenge.

To assure appropriate leadership and guidance in this crucial area, I have directed our Department of Agriculture to channel its efforts to encourage all private landowners to participate in soil and

water conservation cooperative programs. We want to enhance the quality of our environment so that all our citizens will benefit and New Jersey will earn the right to continue to be known as the Garden State.

CATASTROPHIES

The memory of the severe rains which ravaged vast stretches of the State several months ago, causing death and injury to our citizens, damage to homes and business and financial hardship is still fresh in our minds. I am convinced, and I am sure that you agree with me, that we cannot continue to expose our citizens to these dangers.

Our recent experience has demonstrated dramatically that man's continual encroachment on flood plains and the excessive paving of run-off areas have contributed greatly to the amount and severity of damage caused by storms and heavy rains. The failure of municipalities to take effective measures to zone flood plain areas, combined with the failure to comply with federal law for participation in the Federal Flood Insurance Program, have resulted in great financial losses to the citizens of this State. Accordingly, I am proposing a Flood Plain Regulation Act which will empower the Department of Environmental Protection to make rules and regulations concerning construction in certain areas so that damage during floods will be minimized or prevented. This power could be invoked in any municipality which, one year from the effective date, had not adopted regulations concerning flood-plain areas.

We must be prepared to meet these and similar catastrophies as they occur through a plan of coordination between State and local authorities. In order to expedite our response in emergency situations, I am proposing that the Legislature create and fund a Governor's Advisory Council for Emergency Services. The Council would be comprised of the heads of the Departments of Defense, Community Affairs, Environmental Protection, Transportation, Public Utility Commission and Law and Public Safety.

The Council, upon review and evaluation, would be empowered to make disbursements of emergency monies under the terms set forth in the act. If a crisis warrants rapid intervention of executive authority, the Council could be convened upon the issuance of a declaration of an emergency by the Governor. The Council could

then direct the implementation of an emergency master plan which will coordinate the functions and services available through private organizations such as the American Red Cross, as well as the local, State and Federal levels of government.

Under this proposal, contact will be established with our neighboring states of New York and Pennsylvania with an eye towards development of interstate aid compacts so that reciprocal help would be available if needed. The local services and resources should be assessed and integrated with State service. The Council will review and apply to the Federal Government for those programs that are available in emergency situations.

Since taking office in January of 1970, I have had an opportunity to observe the implementation and operation of the Local Emergency Aid Act, established by c. 94, P. L. 1969. This program has proved to be awkward and inefficient. Therefore, upon approval by the Legislature of this new concept of interdepartmental cooperation in emergency situations, I am prepared to recommend that the existing statute be repealed.

TRANSPORTATION

The vitality of any state throbs to the tempo of its transportation system. This is especially true in New Jersey, where our population density demands priority attention, both in time and money, to the movement of people and goods.

During the past year, substantial progress has been made in improving New Jersey's transportation facilities. But, a great deal more must be done for both rail and roads if our State is to avoid the waste and expense associated with traffic strangulation.

Highway

Under guidelines which I have suggested, our Department of Transportation is completing a new Master Plan for highways for that system. Very shortly I shall submit a request for authorization to ask the voters in November, 1972, to approve a new Transportation Bond Issue. Current revenues are patently inadequate to sustain needed momentum in transportation improvements in New Jersey, and all of the 1968 transportation bond funds, both for highways and for public transportation, have been fully programmed.

As of July 1, 1971 -- the beginning of this fiscal year -- the Department of Transportation had completed plans for more than \$138 million of additional highway projects that could be started in the first six months of this year if the funds were available. These priority projects, and many additional needed highway improvements in all areas of the State cannot begin unless and until a new bond issue is authorized and approved by the voters. It is my intention to discuss our new Master Plan with you in detail in the days ahead.

Bus Transportation

For today, however, I prefer to outline some new and exciting approaches in one area of our transportation system too long neglected. I am referring to the principal vehicle of mass transit in New Jersey -- the bus. Make no mistake, the major mass transportation asset of this State is its network of bus services. These lines carried over 313 million passengers in 1970, or about 1.2 million in a typical weekday.

It is against this staggering statistic that we must examine a bus industry allowed to deteriorate both in equipment and service.

The State's largest bus company has been steadily losing money during the last several years of its operations. Our second largest bus company is in bankruptcy, and many smaller companies are financially hard-pressed. All of these companies are imprisoned in an unbroken pattern of spiralling costs which require constant fare increases and cause service curtailment, loss of passengers, and increased deficits.

It is my conviction that the public interest in New Jersey demands that we assist these companies in escaping from their dilemma of higher costs and fewer passengers. We must take specific steps to assure the bus-riding public continued and improved services.

Within the last several years, New Jersey has taken hesitant and inadequate steps to assist certain bus companies by direct cash subsidies. This has been an expensive and often frustrating approach, and one, which, in general, foreclosed federal assistance.

At the same time, we have heard a clamor from those who advocate State ownership and operation of our bus system. It is my judgment that these well-intentioned advocates are insisting on a major transplant when a reasonable transfusion will suffice. A State takeover of bus transportation at this time would involve a staggering outlay of taxpayer's money, and commit the State to continue annual massive expenditures of public funds.

I am convinced that an alternative is available that combines a modest State contribution, available federal assistance, and imaginative changes in the regulation of this industry.

First, I propose that we undertake a survey of the existing bus network servicing our State so that we may structure a coordinated pattern of bus service with all other forms of transportation, air, auto and rail. I have requested Commissioner of Transportation John Kohl to make application to Washington for federal monies to support this study of bus transportation in New Jersey. I call upon enlightened management within the industry itself, interested transportation groups, labor organizations and concerned leaders of municipal and county governments to join in making this a meaningful and successful study.

Unfortunately, we cannot afford to await completion of this study. We must take immediate action to bolster this deteriorating keystone of our transportation system. I, therefore, recommend that we immediately replace our cash subsidy program with a new and aggressive program of capital subsidies.

I suggest to you a program that will provide the public with the reliable, safe, comfortable and economical service it should receive.

I propose that the State, taking full advantage of federal grants under the Urban Mass Transportation programs, purchase new buses and lease them at a nominal rental to the operators.

I further suggest that these grants can provide for the creation of convenient park-and-ride stations and needed capital improvement of garages.

Sufficient State funds to help underwrite this capital effort through the State's Commuter Operating Agency will be included in our request for the new Transportation Bond fund.

I am satisfied that the capital subsidy method provides us with a format which utilizes federal participation in an amount that can be as much as two-thirds of the total subsidy involved. I believe further, that the capital subsidy program is indispensable to the gradual, but steady, replacement of aged bus fleets which cannot be accomplished by the companies involved without oppressive fare hikes. Finally, I believe that this method best permits us to measure the use and effectiveness of our public contribution.

Let no one think that I envision this program as a one-way street. The grants I contemplate will not be made without conditions. To qualify for assistance, bus companies must agree to adjust routes, schedules, and fares in such a manner as to provide both fiscally sound operations and effective services. The bus industry, working in close cooperation with the Department of Transportation and the Public Utilities Commission, will be asked to overcome the problems of outdated route structures, wasteful competition, duplication and overlapping services, little-used extensions into lightly-populated areas, and outmoded, inefficient terminal facilities.

The alertness and imagination of all agencies of government must be focused on the needs of our large bus-riding public.

I shall shortly submit to you for review and consideration several bills needed to implement this full program. Your constructive suggestions will be most welcome. Basically, these bills will be designed to permit broader latitude of grants for capital purposes and broaden and strengthen the power of the Public Utilities Commission. For example, I shall ask that you permit the PUC to eliminate the need for municipal consents over route alignment, giving this agency more flexibility in establishing new routes and extending existing ones. I shall also ask that you extend the PUC's jurisdiction over equipment and holding companies with respect to autobus operations and requiring charter bus operations to hold a certificate of convenience and necessity issued by the PUC. In addition, I shall ask that you permit the PUC to grant temporary certificates to bus operators to provide service in new areas for three to six months to determine whether or not such operation is feasible and in the public good.

Rail Transportation

While the railroad picture in New Jersey has been dark due to the fact that four of the State's principal carriers are in bankruptcy, I am confident that the efforts of our administration, with the continuing support of the Legislature, will preserve essential rail services and will shortly begin to demonstrate substantial and widespread improvements.

Already the Bergen County lines of the Erie Lackawanna Railroad have been re-equipped with new cars and locomotives which went into service early in 1971. Now at long last, technical problems

involved with the renewal and rehabilitation of the so-called "Morris and Essex" lines of that railroad would seem to be solved and thus permit active advancement of that project.

On the Penn Central, 70 additional cars for commuter service are now on order. Construction of a new Trenton Station is finally underway to provide a replacement for that antiquated facility. And this year, station improvements are slated for Metuchen, Rahway and Elizabeth.

As for the Central Railroad of New Jersey, or Jersey Central, a new and aggressive management is making tremendous efforts to extricate itself from a precarious financial situation. Our Department of Transportation is working closely with the Jersey Central's new team to accomplish the economies essential to continue operation and insure rail service vital to the commuters and industries along its tracks.

Once financial stability has been restored, we can move forward with the long-talked-about and often-postponed plans for electrification of the Jersey Central and the New York and Long Branch commuter operations.

An idea of the importance of continued rail commuter operations is conveyed by the results of rough calculations of the impact upon our highway system if the present 177,000 daily rail trips were suddenly shifted to autos. At least 40 additional lanes of free-way capacity would have to be provided -- and all of them in what is already one of the most densely developed areas of the Nation -- Northern New Jersey's Bergen, Hudson, Essex, Union and Middlesex Counties.

I am confident that the members of the Legislature in both parties and in both houses, supported by one of the best informed and most sophisticated electorates in the Nation, will act positively and decisively in 1972 to provide funds that will permit us in this State to improve all aspects of our transportation network.

LAW ENFORCEMENT AND JUSTICE

To no other single area can the citizens of New Jersey point with greater pride than our dramatically successful commitment to search out and destroy organized crime and the corrupted and corrupters in public life.

No longer does the remainder of the country view New Jersey with scorn and ridicule as the State in which crime dominated both the public and private sectors. New Jersey is emerging as a model of what an aroused citizenry and tough, honest law enforcement on all governmental levels can accomplish.

A close relationship and strong cooperation among State, federal, and local law enforcement agencies in New Jersey have produced an unrelenting drive against crime and official corruption. This teamwork will continue and will become stronger as we work together for an even higher quality of law enforcement.

On the State level, the Division of Criminal Justice in the Department of Law and Public Safety will be given greater tools and resources to continue the excellent record it achieved in its first full year in 1971. That record was highlighted by indictments of 225 individuals.

During the coming year, we will increase the staff of 32 lawyers now working for the Attorney General's Division of Criminal Justice. A criminal anti-trust bureau will become operational in 1972 to provide even stronger enforcement of the Anti-Trust Act recognized as one of the best State laws in the Nation.

A special municipal corruption unit has been created consisting of the Division lawyers and State Police investigators. Increased personnel and resources will be assigned to combat labor racketeering and the more traditional types of organized crime such as extortion and loansharking.

In cooperation with this increased activity, we plan to make more extensive use of the State Grand Jury system that has proven to be so effective. The Grand Jury, which has met on the average of once a week, will meet two full days each week.

Additionally, legislation will be presented to you to make the State Grand Jury a continuing institution rather than one which now is impaneled only on the approval by the court at the request of the Attorney General.

We also will seek the cooperation of this Legislature in another important area in which our war against crime has been handicapped by a lack of stronger legal tools. I intend to resubmit legislation, unfortunately blocked in the last session, to give the Bi-State Water-

front Commission tough new security powers to protect pier cargo from the growing menace of pilferage tied to organized crime.

If our waterfront is to continue to prosper and if the consumer is to be protected from higher costs passed on because of cargo thefts, this legislation is essential.

I also will solicit your help in a renewed effort for federal legislation to extend the jurisdiction of the Waterfront Commission to the crime-plagued metropolitan area airports. Together, we can apply bi-partisan pressure on Congress to enact the long-delayed bill.

The Legislatures of both New Jersey and New York passed the required State legislation, and it was signed into law nearly two years ago on May 20, 1970, in Trenton and Albany. The failure of Congress to give consent to the expressed will of the people of two sovereign States is inexcusable.

As New Jersey is emerging as a leader in quality law enforcement, our State is properly proud of its pioneer position in making the constitutional promise of justice and equal opportunity a reality for all its citizens.

As part of that continuing commitment, I have taken steps to assist members of minority groups to achieve one of the most critical of all civil rights -- the right to make the fullest use of one's talents and abilities in a job with decent pay and working conditions.

To that end, we are implementing an "affirmative action" program for State projects designed to require equal employment opportunities in the construction trades. It is widely recognized that exclusionary practices and discrimination have hampered training and recruitment efforts in this area of employment.

To overcome this problem on public works projects directly funded or financially assisted by the State, it is mandatory that an "affirmative action" employment guarantee be included in the contracts for such projects.

Working together, we can and must marshal the vast powers of the State to seek out and punish the wrongdoers, while at the same time always striving to guarantee for all our citizens the promise of the Declaration of Independence that "all men are created equal...."

NARCOTICS

The year 1971 was one in which we translated into meaningful action the comprehensive narcotics and dangerous drugs control program I presented to the Legislature in a special message. The year 1972 will be one in which we must and shall continue to open new fronts in our battle against the menace of drug abuse in our cities and suburbs.

In preparing to work together to solve this troublesome problem, I believe it is important that the new Legislature receive this report of the great strides made in 1971 in enforcement, education, rehabilitation, treatment, and complete coordination of all agencies:

1. The registration of all New Jersey manufacturers, distributors, and dispensers of controlled dangerous substances, a program absolutely vital to curb the diversion of commercial drugs to illicit channels, has been completed.

2. In the area of law enforcement, 50 State Police officers have been trained and assigned to the Bureau of Narcotics. A highly mobile task force has been organized to concentrate on large-volume sellers of narcotics. This unit is continuing to develop liaison with the Federal Bureau of Narcotics and Dangerous Drugs, U. S. Customs, New York City Police and other agencies in neighboring states.

3. The concept of regionalized control efforts has now been put into operation and cooperation with local enforcement agencies throughout New Jersey on a firm basis has become a reality. More than 1,200 municipal police have received intensive drug enforcement training at Sea Girt Academy.

4. In the area of rehabilitation and treatment, the Division of Narcotic and Drug Abuse Control in the State Department of Health has structured a broad program of interagency and intergovernmental coordination.

During the past year, 12 county treatment clinics were integrated into the new statewide system. Standards for certification of all drug abuse rehabilitation centers have been adopted and published.

The Methadone Maintenance program has been expanded successfully from 175 to 1,300 patients.

A centralized confidential registry has been established with continuing data supplied by state and local police, courts, private

physicians, hospitals, and other treatment agencies. This registry will permit the publication in the near future of statistical reports documenting the nature and extent of New Jersey's drug problem. The registry also provides courts with information on prior convictions required for determination of eligibility of accused persons for first and subsequent offender treatment under the law.

5. In the crucial area of preventative education, all New Jersey students in middle, junior and senior high schools are now receiving a minimum of ten hours of instruction in the dangers of drug abuse. The local school districts are receiving essential support in this effort by the State Department of Education teacher training programs, curriculum guides and other services. Our colleges and universities are stressing the importance of training teachers in this vital subject.

I cite these gains not out of a sense of complacency or self-tribute, but to demonstrate to this Legislature and our citizens that very real progress is possible when there is cooperation and coordination among governmental and private agencies and the public. We plan to move ahead in these areas in this new year:

1. Groundwork is being laid for close cooperation between the State's program of drug abuse prevention and treatment and Federal agencies, including liaison with military bases in New Jersey to assist returning Vietnam veterans with drug problems. There also will be close and continuous contact with the President's Special Office of Drug Abuse Prevention to insure that the State takes maximum advantage of opportunities for Federal funds.

2. A necessary major objective will be the expansion and coordination of drug treatment programs in State and county correctional institutions.

3. The development of residential treatment facilities and the purchase through contract of care services for addicts will receive priority attention.

4. I have directed the Division of Narcotic and Drug Abuse Control to expand its capabilities to assist local communities and organizations in establishing treatment and prevention programs through technical assistance, educational institutes and other consultative services. Plans for helping such groups develop opportunities for Federal funds are a central part of those services.

5. The Division, as well as the State Department of Higher Education, will explore avenues for assisting college administrators in combatting drug abuse on campuses.

We have accomplished much in a short time, and we are determined to exert even greater efforts in the days ahead. New Jersey will continue to demonstrate leadership in this crucial field.

PUBLIC OFFICE – PUBLIC TRUST

It is my hope that this Legislature and the Executive Branch of Government can work together to establish a climate in which the people are assured that those elected or selected to do the public's business do so with only one goal — the public interest.

The increasing distrust with which many citizens view their political institutions and public office holders presents one of the overriding problems of our time. This cynicism and apathy impede the majority of public servants who want to do their jobs well and honestly; it deters others from seeking or serving in public office.

We have, in New Jersey, made much progress in protecting the public interest. We kept two promises made in my message one year ago — enactment of a meaningful conflict of interest law for legislators and State officials and of a strong law regulating and disclosing the activities of lobbyists in seeking to influence legislation.

Federal and State law enforcement agencies in New Jersey have achieved dramatic successes in exposing and punishing corrupt governmental officials. Our citizens must understand that these indictments are of individuals, not our political system itself.

As we have assured our people that they will know about the conduct and ethics of their State officials, so must we move to apply the same standards to those who serve in municipal and county governments. It makes no sense to protect the public interest on one governmental level and not on all.

I have become increasingly concerned with charges of conflicts and favoritism in this area, particularly dealing with land acquisition, zoning, and municipal contracts for services and supplies.

Accordingly, I will submit to you a bill creating a commission comprised of nine members to report as soon as possible with recommendations for legislation establishing by State law a uniform code of ethics for elected and appointed county and municipal officials.

It is also essential to restore public confidence in the electoral system by which the voters select their governmental officials. The Election Law Revision Commission has made two recommendations for reform which I wholeheartedly support and urge that this Legislature make priority matters early in this session.

One recommendation is for legislation that would make voting machines mandatory in those six counties which persist in the use of paper ballots and would provide a financial method to help the counties purchase the necessary equipment. The bill which passed the Assembly in the last session of the Legislature to make the conversion to voting machines optional is woefully inadequate.

The second recommendation is for legislation to require strict disclosure of campaign contributions and expenditures by all candidates for public office. It would help lift what the commission described as the "veil of secrecy" which shrouds the area of campaign finance.

I urge your early bi-partisan support in this all important area of government.

CONSUMER PROTECTION

The past year has indeed been one of great accomplishment in safeguarding the rights of consumers in New Jersey. Enactment of the "Consumer Affairs Act" fulfills my promise of a complete reorganization of the former office of Consumer Protection. We will now be able to focus more direct attention on consumer matters with centralized supervision.

Landmark legislation was also enacted to combat consumer frauds. The Attorney General is empowered to provide swift relief against unconscionable consumer practices. More stringent penalties have been provided for offenders.

The "Holder-in-Due-Course Doctrine" has been eliminated from retail installment sales contracts. Negotiation of these contracts to third parties will no longer result in the unwary purchaser being required to pay for goods and services which he did not receive or which are defective or misrepresented.

The coming year will see a stepped-up enforcement of these new laws. A dramatic increase in the number of prosecutions for violations is plainly apparent. Additional efforts will be made in 1972 to ensure that the services of the Division of Consumer Affairs are more accessible to the New Jersey consumer. We are already embarking on the appointment of Consumer Affairs officers at the local level through cooperation with mayors throughout the State. A program is being developed to receive and process consumer complaints at the local level.

We will exert our efforts to have meaningful legislation passed in our continuing battle to insure fair play to the consumer. Included in our endeavors will be concerted action in the areas of the regulation of collection agencies and revision of the weights and measures laws.

In the past session of the Legislature, a bill was passed regulating collection agencies. Unfortunately, this bill was the weakest of three bills introduced on the subject. In addition to other deficiencies, this legislation delegated the responsibility for regulation and control to the Department of State which does not have the personnel for regulatory functions. While those collection agencies which need to be controlled are in the minority, their primary victims are the economically underprivileged and the undereducated. This means that meaningful regulation is imperative.

In seeking improvements in the weights and measures laws, our main goal is protection of the housewife and shopper in daily purchases. Modern methods of pre-packaging of merchandise have, in many instances, resulted in shortchanging the buyer. We are determined to prevent short-weighting, false or misleading labeling or deceptive packaging of commodities. Our recommended legislation will provide for the swift removal of such items from the counter and showcase. Enforcement will be facilitated and stricter penalties set for violations.

We recognize and emphasize that any legislation which gives the appearance of protection, yet is devoid of substantive control

and regulation, is deceptive and harmful. We shall continue to scrutinize and resist any legislation which gives the appearance of protecting the public when, in fact, it does not. The family budget is stretched much too thin. We must see that the consumer receives a full dollar's value for each dollar spent.

LABOR AND INDUSTRY

A healthy and vital economy is essential to all of us --- the businessman, the industrialist, the working man. All want to improve the quality of life for our citizens.

I am, therefore, pleased to report to you that New Jersey's economy is sound and, by all indicators, will continue to grow. Despite the unsettled condition of the national economy, the number of employed in New Jersey in 1971 remained steady at the record high levels of 1970. Total employment last year averaged 2.9 million jobs.

While we can take satisfaction in this outlook, we would be foolish, indeed, to assume that economic problems do not exist which will test all our ingenuity and our will.

We must face, for example, the challenge of unemployment created by a labor force growing at a faster rate than our job market. This growth is produced by causes which we all welcome --- our young men returning from Vietnam, our progress in training the unskilled for jobs and young people graduating from our high schools and colleges.

To generate new job resources to close this employment gap, we are placing high priority on accelerating the State's efforts to induce business to locate and expand in New Jersey. We seek balanced economic growth; one that provides jobs while considering the impact on our environment. Our goal is to continue to provide new jobs each year with decent pay and safe working conditions.

Industrial Development

As an innovative approach in our quest for new business, industry and jobs, I will submit to you in the near future legislation to provide a new mechanism to stimulate local industrial development. The legislation will enable interested individual communities

to form their own public "Industrial Development Authorities." These authorities would provide long-term capital financing, at advantageous interest rates, to develop or expand industrial facilities in a community.

In lending its capital, the authority would remain in the position of owner-mortgagor of the financed property until repayment of the loan. Importantly, the industrial borrowers would at all times be guaranteed the right of controlling their own destinies.

Borrowers would be free to select their own architects, contractors and advisors, and to control their own business development. The benefits such an authority could bring to a community in new jobs and tax ratables could be substantial. And the State, through such a program, can provide our financially-pressed local communities with a new and significant tool in working toward an orderly pattern of development and growth.

Manpower

In seeking such methods to expand business and employment, we face a special problem involving members of minority groups --- an assignment that has been given to the Department of Labor and Industry to solve. For too many years, they have been left untrained and unfulfilled and have fallen out of the mainstream of our economic life.

With a special grant from the Ford Foundation, the Department this year is undertaking a study of ways to help minority group citizens go into business for themselves and to develop programs to assist those already in business.

In addition, the Department has received a grant from the U.S. Department of Labor to develop a comprehensive training and employment program to enable minority workers to become apprentices and journeymen in the construction industry. This program will be implemented on a statewide basis with the cooperation of building contractors, labor unions, community groups, and concerned agencies, public and private.

We also must find ways to absorb into our work force another special group --- the thousands of veterans expected to return to New Jersey from Vietnam. At my direction, the Department already has moved into action.

Each of the local employment offices now has a special staff member trained to handle the problem of returning veterans. The Governor's Task Force for Jobs for Veterans has organized job marts, where employment requests already have been received from 450 employers.

To reinforce these efforts, I intend to issue an executive order to encourage all employers doing business with the State to list their job opportunities with the New Jersey State Training and Employment Services offices. This is in line with President Nixon's similar order as part of a National Jobs for Veterans program.

In another phase of our attack on unemployment, a total of \$60.7 million in Federal money has come into New Jersey, as of December 1, 1971, to provide work for unemployed people in public jobs at the State, county, and municipal levels. It is my hope that this first significant step will be broadened into a full Federal revenue sharing program to relieve the fiscal crisis in our states and cities.

To help the unemployed find work, the Department now operates job banks in Newark, Paterson, Trenton, Camden, and Jersey City. Through connections with local State employment offices, the job bank service will provide statewide coverage by July 1. Thus, a job seeker, by visiting a single job bank, will have information on every employment opening in the State.

A special problem in our goal of trying to help all our citizens earn a decent living is that of the physically handicapped. I have long been concerned by the lack of medically oriented rehabilitation centers to serve the needs of the handicapped in Southern New Jersey. Each year more than 500 persons from that area must travel out of State to receive the comprehensive medical rehabilitation services they need.

The Regional Committees for Comprehensive Statewide Planning for Rehabilitation have suggested that the State government lead the way by establishing three 25-bed units in the Atlantic City, Millville, and Camden-Gloucester-Burlington areas. Substantial Federal funds are available to help the State meet the estimated \$3 million construction cost. I urge this Legislature to support development of these critically needed facilities.

Protection of the Worker

The living and working conditions of our migrant laborers have been improved considerably by the series of bills I signed into law in July dealing with minimum wages, interpreting services, legal protection, and sanitary conditions. Conditions in migrant labor camps are much better today and we will continue to seek ways to improve them further.

The number of camps paying less than the minimum wage dropped to four per cent in 1971 as the result of prosecution of violators, compared to 17 per cent in 1970. For the first time, a Spanish speaking official has been appointed as chief of the Department's Migrant Labor Bureau.

These actions demonstrate our sincere concern, not only for the physical comfort of the workers, but also for their economic well-being.

The minimum wage of \$1.50 an hour has not been increased for more than three years, despite very substantial increases in the cost of living. I reaffirm to this Legislature the same appeal I made to the last Legislature to raise the minimum wage to at least \$1.75 an hour. Clearly, the present minimum is unrealistic and totally inadequate.

An all-time high of \$490 million in unemployment insurance was paid out in 1971. This money not only relieved the hardships of unemployment for individuals and families, but aided the economy in purchases of food, clothing, rent, mortgage payments, and other necessities of life.

While the Department continued its fine record of timely payment of benefits despite the heavy claims load, improvements can and should be made. Most of the recommendations made by the Governor's Management Study Commission have been put into effect and the remaining recommendations are under active study and, if feasible, will be fully implemented.

In workmen's compensation, we must make changes to reverse the trend that has seen workers receive a diminishing percentage of the compensation dollar, to reduce the backlog of cases and to lower the high cost of administration.

Administrative action will be taken to eliminate non-productive time of judges, lawyers, and other parties through use of com-

puter scheduled hearings. Workmen's compensation courts will be open 12 months a year. A maximum effort will be made to reduce administrative costs to help maintain high benefits for our working men and women who deserve this protection. If any legislation is required, I am confident this Legislature will cooperate.

The Department, through a grant from the U.S. Department of Labor, is developing a plan spelling out the specific responsibilities of the State and federal governments under the recently enacted Federal Occupational Safety and Health Act. I will present to you any legislation required to bring our state laws into compliance.

The economy is on the upswing, the outlook for New Jersey is good, and more and more industries are locating in our State. Let us work as partners --- labor, industry, and government --- to assure a brighter future for all.

HUDSON WATERFRONT

Today I want to outline to this Legislature a bold and far-reaching program of State-county-municipal cooperation to revitalize one of New Jersey's major potential resources --- the Lower Hudson Waterfront area.

I recently toured this waterfront area and came away with a sense of frustration and impatience after viewing the visual and physical deterioration --- rotting piers, dilapidated buildings, unused railroad tracks, vacant and under-utilized parcels of valuable land.

The tragedy is that this should be one of the most valuable economic tracts in the Nation. It is located in the heart of the New York Metropolitan area, contains thousands of acres of under-utilized land and has fine harbor frontage, market accessibility and natural recreational features. Instead of a declining area, it should be an economic asset and scenic and recreational resource for all the people of New Jersey and those living in the metropolitan region.

I am pleased to note that municipal officials such as the mayor of Jersey City already have taken the initiative by proposing plans to revitalize the Hudson waterfront. It is my hope that those plans can become a reality. Unfortunately, experience has demonstrated that few municipalities have the resources to undertake successfully a project of this magnitude.

Instead, a cooperative effort by all the municipalities directly involved could be the answer. Working together they can achieve what, working alone, might be impossible. It might be that plans projected by an individual municipality could become an integral part of a regional plan for the waterfront area.

I will propose to this Legislature an alternative State-assisted action program to revitalize this strategic resource if the individual municipalities do, indeed, find they cannot go it alone.

In formulating this program we have stressed the point of view of the municipalities involved, particularly the vital role upgrading of the waterfront can have in attracting private investment and reversing the downward economic trend in the area.

From the point of view of the State's interest as a whole, it is my desire to preserve and properly utilize the natural features of the area and to insure that the State's sizeable investments are enhanced, not jeopardized.

Liberty Park, a major State park, will receive top priority in the current Green Acres acquisition program. It is necessary that surrounding land development be accomplished in harmony with the State's effort to make this urban park into a national showcase. The State already has invested more than \$100 million in middle income housing through the Housing Finance Agency in or adjacent to the Hudson Waterfront area. We also have assisted in negotiations for Federal disposal of Caven Point to Jersey City and believe that this substantial acreage could be devoted to major economic use.

Another factor in formulating this program is the technological transition in transportation and freight movement which has resulted in a decline in rail services and utilization of trackage in the Waterfront area. This gives us the opportunity to initiate an effort to consolidate railroad property for more desirable and productive uses.

I am convinced that enough preliminary studies have already been done and that we must now move forward to implement the revitalization of the Lower Hudson Waterfront within Hudson County with an action program. At a later date, it might be advantageous to expand or supplement the scope of this program to certain municipalities bordering the Hudson River in Southeast Bergen County.

I am prepared to mobilize the financial and technical resources of the State if my approach is acceptable to municipal and county

officials and if they can agree to cooperate in a unified plan to benefit the entire waterfront.

I stress cooperation. Under no circumstances will we force the State's will unless prior consent by the municipality is granted.

These, then, are the action steps I propose:

1. Creation in the State Department of Community Affairs of a special State interdepartmental coordinating committee to prepare a development plan for the Waterfront and to recommend needed revisions of municipal land use regulations. The development plans and regulations would have to be adopted by the municipalities as a prerequisite to the State's action in the area.

2. Creation of an intermunicipal authority to permit improvement of the land and development of the necessary utilities and services. Without affecting municipal debt limitations, such an authority would have responsibility for acquiring, designing, financing, constructing, and operating utilities such as water supply, sanitary sewerage, and drainage.

3. Legislation to create a multi-purpose agency to encourage private investment in the area. Again, free of municipal debt limitations, such an agency would package and prepare sites for development, using purchase or eminent domain to acquire and consolidate tracts of land.

4. To assure protection of the new State and private investments anticipated, I recommend a procedure of State review and comment through the Department of Community Affairs over all municipal and county actions affecting the Waterfront area. This would provide a mechanism for State review, comment, and recommendations to local governments on any proposals for private development submitted to them. The reviews would apply to proposals for disposition of municipally owned land, variances, building permits, and similar local actions.

Municipalities would be asked to adopt a procedure that would permit the State to delay questionable projects for a set period of time to allow full public discussion before their approval. Let me stress that the ultimate powers of a municipality to act on such proposals would not be impaired.

In view of the importance of this project, not only to the immediate area but to the economy of the entire State, I urge you to pass the necessary legislation and to use your persuasiveness and prestige to encourage the kind of cooperation and commitment required of local officials to make our effort a success.

INSURANCE

In my First Annual Message, I referred to the unhappy plight of automobile accident victims, who seek reparations for their injuries, with the melancholy observation that "Too many injured persons must wait too long for an uncertain remedy while enduring physical and financial injury." I pointed out then that we must find new approaches to the problem of processing automobile negligence cases, and indicated that I was anxiously awaiting the report of the Automobile Insurance Study Commission, created by Joint Resolution of the Senate and General Assembly.

That report was recently completed and delivered to me, and I have reviewed the Commission's recommendations and my advisors' analyses with great interest. While I have voiced my appreciation privately to the members of this study group, I want to take this opportunity publicly to acknowledge their dedication and industry so evident in their report. They have performed a remarkable service for the people of the State on whose behalf, as well as my own, I express gratitude.

Further, I am happy to find myself in substantial agreement with the Commission's recommendations. They started from the proposition that our present system plainly is not working well and ended with what I deem to be a novel and innovative but, at the same time, a practical and workable method of securing relief for automobile accident victims. This new approach combines elements of "no fault" insurance with some necessary safeguards derived from our present system. This should result in the motorist's securing protection at a lesser cost, expediting the relief of the accident victim and his family from a frequently staggering and intolerable economic burden, and yet preserving that victim's right to full and adequate compensation in cases which involve more serious and disabling injury.

In addition to bringing about an intended reduction in insurance premiums, another major benefit of the proposed system would be a reduction of the present court backlog. A substantial percentage of civil court actions are automobile accident cases. Under the proposed plan, it is expected that many of these cases would be settled outside the court, thereby permitting other more serious and meritorious causes to be heard with more dispatch.

This whole field of reimbursement and compensation to those who suffer the tragic consequences of accidents on our highways is undergoing re-examination and revision not only in New Jersey but across the entire country. There is a proliferation of plans, the provisions of which are, in many instances, limited seemingly only by the imagination of the drafters. I believe, however, that our Commission's recommendations reflect a sound understanding of all the ramifications of the problem and constitute, at the very least, a desirable starting point for their solution. I am, therefore, having prepared for submission to the Legislature appropriate bills to implement substantially the Automobile Insurance Study Commission's suggestions.

OFF-TRACK BETTING

With the wide public acceptance of the New Jersey State Lottery and its dramatic success firmly in the minds of all our citizens, there are those who now urge the State become involved in other forms of gambling in order to develop necessary revenues for State government.

At the outset, let me reaffirm what I have said repeatedly in relation to the expansion of legalized gambling. I am still firmly opposed to the legalization of any type of casino gambling in this State. My personal observation and the testimony of experts who have observed this type of gambling in other states and countries persuade me to continue my opposition to casino type gambling with all its attendant evils and dangers.

While I personally believe the State of New Jersey has sufficient legalized gambling at this time to satisfy our citizens, I am not unmindful of the logical case which is advocated in support of off-track betting. As all of us know, wagers can be placed at a track with legal sanction, but an individual who cannot or will not go to a race-track, yet places a wager on a horse, subjects himself to criminal prosecution. There are those who believe this to be a basic inconsistency. This has created in the minds of many citizens the belief

that we should legalize all wagering on horses or we should declare all wagers on horse racing illegal.

At the present time, the State of New Jersey benefits to the extent of \$34.8 million from five licensees authorized to operate flat and harness racing. I do not believe it is wise, and I do not believe it is the desire of the citizens, to eliminate this form of recreation and this type of revenue.

It has been suggested that a carefully-conceived, closely-monitored and efficiently-administered off-track betting operation would enjoy a high level of success and would inure to the benefit of this State. Knowledgeable people have informed me this would be an effective tool in reducing the influence and, thereby weakening the structure, of organized crime in New Jersey.

As to the fiscal implications of off-track betting, it cannot be overemphasized that it would be a tragic mistake to regard any such enterprise as a cure-all for the State's substantial needs. Similar to State Lottery proceeds, money generated from off-track betting would be limited in amount compared to the heavy financial demands placed upon the State.

Based upon the information submitted to me I will recommend to this Legislature the establishment of a commission to study all questions related to off-track betting.

In my judgment this commission should be composed of representatives of both the public and private sectors. As in the case of the Commission to study the lottery, I believe a diligent and wise commission should investigate all areas of off-track betting and determine whether any system, new or old, can serve the best interests of the citizens of this State. Specifically, the commission should be charged with the duty to study, evaluate and recommend (a) whether we should establish a system of off-track betting in New Jersey, taking into account the public interest, projected revenues and its appropriate allocations; (b) the effect of any system upon our existing revenues from racetracks; and (c) the form such system should take, keeping in mind the need for State control and operation.

It would be my hope and expectation that all facets of off-track betting would be thoroughly and expeditiously explored. In the event the commission can conclude its work in the months ahead, and it

recommends off-track betting, I would anticipate that the issue be submitted to the electorate in November of this year. Whenever the submission, it is imperative that our electorate is fully informed in order to make a deliberate and wise decision on this issue at the polls.

PENSION BENEFITS

During the past year, this Administration has given high priority to the improvement of living and working conditions for those who dedicate their lives to public service. Substantial improvements have been made in the major pension systems throughout the State. Pension checks will be larger, early retirement prior to age 60 will be more readily attainable and additional pension increases will be provided for retired persons as the cost of living increases. In all, approximately \$20 million of increased benefits have been added.

A major theme pervading these recent changes has been an attempt to achieve some degree of uniformity and consistency. Whenever possible, we have sought similar treatment for those similarly in need. I intend to follow through with this principle during the coming year. To accomplish this result, more specialized attention to pension legislation will be required in both the Legislative and Executive Branches of government.

I will ask the Legislature to provide for a joint committee of both Houses to review pension bills. I will also make available to this new committee the services of the Division of Pensions for technical assistance in the review of pension legislation. Through this cooperative approach we will be better equipped to provide more meaningful and equitable pension programs for our public employees.

THE JUDICIAL SYSTEM

All our institutions are under extensive critical analysis. Our judicial system is no exception. That system is undergoing rigorous testing by contemporary problems created by social awareness, demands for less time-consuming procedures and a heavy work volume resulting from increased utilization of our courts. Our judicial structure, created with imagination and brilliance through the Judicial Article of the 1947 Constitution, cannot endure today's demands with the same performance of the past. Change is needed now.

The merger of the County and Superior courts is long past due.

This duplication of jurisdiction, administration and administrative personnel is wasteful and an anachronistic luxury we can ill afford. The merger would create more flexibility than our courts enjoy today, which itself would produce a significant benefit. Moreover, fiscal advantages would be achieved. We should not require any political subdivision to spend more money duplicating the methods of another. Yet, this is precisely what we require today in the separation of the county and superior courts. Surely in this day of heavy financial demands upon all counties and their taxpayers, a potential savings totaling almost \$1.8 million should be welcomed.

To underscore this point by illustration, the following is a list of the counties showing approximate net savings, not including pension savings, which would inure to each county if the courts were to be merged:

Atlantic	\$ 77,195	Middlesex	\$127,300
Bergen	\$188,095	Monmouth	\$ 76,530
Burlington	\$ 85,540	Morris	\$ 83,860
Camden	\$ 81,050	Ocean	\$128,515
Cape May	\$ 17,530	Passaic	\$127,725
Cumberland	\$ 38,550	Salem	\$ 19,750
Essex	\$244,345	Somerset	\$ 62,965
Gloucester	\$ 41,625	Sussex	\$ 20,840
Hudson	\$118,255	Union	\$126,670
Hunterdon	\$ 19,730	Warren	\$ 19,605
Mercer	\$ 87,110		

These savings do not reflect any State takeover of supportive personnel and other administrative expenses now funded by our counties. Personally, I believe these expenses should be borne ultimately by the State when sufficient State revenues are available.

I, therefore, strongly recommend to you the consolidation of these two separate courts into a single Constitutional court.

Another area in our judicial system which has duplicate aspects involves those courts whose jurisdiction relates to family relations. Presently the Juvenile and Domestic Relations Court and the Superior Court Chancery Division have concurrent jurisdiction in many spheres of family life. To avoid duplication of administration, record keeping, expertise and expense we must seriously and without delay reflect upon the creation of a Family Court. Such a court will bring

together for purposes of resolution, all facets of family problems, be they divorce, drug addiction, mental illness or support. There is in existence a commission to study this complex area, but unfortunately, no final report has been filed to date. I am hopeful that this commission, or a newly created one, will finalize a report in the immediate future in order that we may take all steps necessary to improve this fundamental field of family relations.

In the same vein of streamlining and modernizing our judicial system, we should adopt the recommendations of the New Jersey Criminal Law Revision Commission which urged the reduction of the size of juries from twelve to six in all civil trials and in non-capital criminal cases. Historically, no sound foundation exists for the continuation of 12-man juries. I am convinced that smaller juries will expedite trials, have some modifying effect upon the overburdened trial calendar and result in a more practical use of manpower while in no way adversely affecting the quality of verdicts. Therefore, I am recommending a constitutional referendum to amend our Constitution so as to permit six instead of 12-man juries in all but capital cases.

Hopefully, the report of the Automobile Insurance Study Commission, through implementation, will result in a noticeable reduction of the present case backlog. However, we must not be lulled to a conclusion that this concept alone will be a panacea for our court system.

It is essential that public respect and confidence in the judicial system be maintained at a high level. Trial delay and duplication of effort erode such confidence. I believe the recommendations I offer will be significant factors in the modernization and improvement of our judicial system.

CONCLUSION

In addition to the areas previously discussed, this Legislature will be expected to act in the all-important fields of housing, congressional redistricting and implementation of the Tax Policy Committee recommendations. I intend, at an early date, to present in a special message my legislative recommendations to solve the housing crisis in New Jersey. It is my sincere hope that you will, at your very earliest opportunity, address yourself to congressional redistricting. I pledge myself to sign any bill approved by the Legislature meeting the State and Federal criteria. I have been assured that the complete report of the Tax Policy Committee will be presented sometime in February. After careful study, I shall present my views to you on the recommendations of this Committee.

It is obvious that this particular session of the New Jersey Legislature will be asked to make decisions whose impact will be felt in this State for many generations. Together we must face up to questions that will test the willingness of this government to deal aggressively and positively with the urgent problems affecting millions of our people.

Do we want clean and safe cities? We can have them.

Do we want attractive, reasonably priced housing for our citizens? This is attainable.

Do we want to help all our citizens by developing a prison system that returns men and women to useful, productive lives rather than the treadmill of continued crime? We have this opportunity for national leadership.

Do we want institutions that offer more than the sterile and stark minimums of custodial care? We can and should do more for our physically and mentally ill.

Will we insist on quality education at all levels and in all jurisdictions? The opportunity is at hand.

Do we want a restructured tax system based more truly on an ability to pay and linked with a redistribution of the heavy burden now borne by our property taxpayers? The opportunity is near at hand.

These are some of the questions and some of the opportunities we will face in this session.

Our decisions can signal hope, justice and equality to millions of our fellow citizens or, conversely, they can signal continued injustice, despair and disillusionment to those who trusted us to act courageously and wisely in their interest.

We meet at a time when neglected, delayed or ignored problems stand before us full grown. They have not, they will not, they cannot be solved by demagoguery or political expediency. These problems will awe and frighten timid men; they will challenge and make bold the strong and courageous among us.

This is a time ripe for greatness and an era in our State's history when we must reach for the very best in us -- that dimension demanded by crisis and a worthy cause!

Those of us who believe that New Jersey can truly excel must arm ourselves with an understanding and a conviction of what is right and just. Then we must stand united against the attacks of those cringing critics who welcome the status quo and who provide a refuge for the unconcerned and the uncommitted, always remembering the words of Dante that *"The hottest spot in Hell is reserved for him who in a time of moral crisis insists on maintaining his neutrality"*.

In this effort, in this cause, in this dream, let us walk and work together.