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# *Second Inaugural Address*

OF

# HON. ALFRED E. DRISCOLL

*Governor of New Jersey*



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*Mr. President, Mr. Speaker, Members of the Legislature:*

We have been given a unique opportunity to complete the tasks we have undertaken together during the past three momentous years. I propose that we proceed to do so at once.

As we review even a small portion of the record of the immediate past—a new Constitution; a strong, capable, independent judiciary—the keystone of our Republican form of government; the effective division of powers among the three branches of State government; executive reorganization; greater legislative responsibility; one first-class citizenship, based upon a constitutional guarantee that recognizes the God-given dignity of mankind; our faith in and respect for our fellow citizens should strengthen and renew our determination to serve them faithfully and constructively.

For my part, as I resume my duties, neither time nor familiarity with the great office of Governor of New Jersey has lessened my abiding sense of the responsibility that is ours.

It is appropriate that the establishment of a new precedent, the continuation of a Governor beyond a single term, should occur in a year that marks the half-way point in the Twentieth Century. In the first half of our productive, turbulent and frequently terrifying century, we have achieved greater technological, industrial and personal gains than were achieved in all previously recorded history. And yet, in this same period of time, we have come closer to losing our very souls than at any time since the Dark Ages.

Within the half-century, mass production became an American achievement—even a fetish. Early in 1901 a

startled American populace received word that a billion-dollar corporation had been formed in New Jersey. The race to be the biggest and the richest was on in earnest. Big corporations were to be followed by big unions and big government. In fact, bigness was to become a center of controversy, frequently more violent than thoughtful.

The events of the first fifty years stimulated the organization of the group interest mentioned in my message to the Legislature three years ago. These same events promoted centralized authority upon the theory expressed by Woodrow Wilson in his Inaugural Address as Governor, that we cannot "pit power against weakness." As our society became more complex, the individual became more dependent upon the activities of his fellows, and new methods were sought to overcome his growing feeling of insecurity. By the same token, the task of government became more complex; yet there was no planning to meet complexity. We moved into a period of government by crisis. The national government assumed to undertake new services of great social and economic significance, but was unwilling to recognize the consequences of its assumption of vast centralized power.

Our whole world has changed in the last fifty years. The big government that has grown from year to year to meet the challenge of big wars, big depressions, and to provide greater security, contains the elements of insecurity.

In our search for freedom, and in our defense of it, we have come close to losing freedom. Despite our efforts to achieve security, we are not yet secure.

Our mastery of the art of government and our ability to govern ourselves and our world have lagged far behind the technological and materialistic advances that have come to us during the first half of the Twentieth Century.

We are gradually learning that while objectives are important, methods are equally important. The methods employed in some countries to achieve security actually prevented the people of those countries from attaining their objectives. Furthermore, freedom was lost. The methods

to which I refer resulted first in a centralization of the government and finally in its ultimate destruction.

In its report to the Congress of the United States, the Hoover Commission on Organization of the Executive Branch of the Government asked two pertinent questions.

“1. How can the American type of democracy—a democracy based on individual liberty and extensive citizen participation in and control of government—be maintained and strengthened?

“2. At the same time, how shall government provide the services which people increasingly demand and which are necessary for the general welfare?”

The Hoover Commission recommended that the functions and activities of government be appraised to determine which can be most advantageously operated by the various levels of government and which require joint policy making, financing and administration. The Commission proposed that our tax systems—“National, State, and local—be generally revised and that, in this revision, every possible effort be made to leave to the localities and the States adequate resources from which to raise revenue to meet the duties and responsibilities of local and State governments.”

The Commission urged “that the grant-in-aid plan and program be clarified and systematized.” The Commission states in its report that to accomplish these recommendations in an orderly and adequate manner a continuing agency on Federal-State relations should be created.

In our efforts to secure an orderly, responsive, economical government, these recommendations are vitally important to all of us. It is my hope that the recommendations of the Hoover Commission will be adopted. I recommend that appropriate steps be taken by you to memorialize Congress to adopt the recommendations of the Hoover Commission as quickly as possible.

The urgency of these proposals is to be found in the fact that the President, in his Budget Message for the fiscal

year 1950-51, has recommended an increase in Federal grants-in-aid of approximately a billion dollars over those found in the grants allocated in the Budget for the fiscal year ending June 30, 1949.

There is a far more simple and effective method of accomplishing our social and economic objectives than the methods presently being employed. Current methods merely result in the speed-up of a vicious circle in which expensive grants-in-aid with unnecessary administrative costs compel the Federal Government to levy abnormally high taxes. Many of the services contemplated by these grants could be provided by the States with greater economy to meet local needs if the resources which formerly belonged to them were returned.

We must end our flight from yesterday's crises and, by a prudent appraisal of our needs, careful planning and the application of common sense, avoid tomorrow's catastrophes. During this stock-taking period we shall seek to consolidate our gains and complete our unfinished business.

Our State Government during the past three years has been engaged in the hard task of putting its house in order, so that it might more efficiently serve its citizens. In three previous messages, as well as in legislative and executive action, we have stressed the importance of keeping government as close to the people as possible. We have emphasized again and again that the continued nationalization of our government threatens to completely destroy our Federal system and home rule. One sure way to destroy our Federal system and home rule is for the States to fail to provide for the general welfare of their citizens.

This then represents the heart of our philosophy: an orderly Federal system with government close to the people, prudently managed. Government free to test old values, to seek new values. Government strong enough and courageous enough to pioneer with the times, promoting the general welfare in the service of all of its people. New programs in government carried on at the State or local level do not place in jeopardy the economy of the entire

Nation and need not be adopted by all until they have proved their general worth. A system in which the citizens control the destiny of government rather than government controlling the destiny of its people.

It is our responsibility to clarify the relationship between State government, our counties, municipalities and school districts. The recommendations of the Commission on Municipal Government, as modified by another year of careful study, should be adopted. We should strengthen the capacity of our municipalities to govern themselves and to mold their form of government to fit the needs of their citizens.

The Commission should be continued. In co-operation with representatives of our local government and the members of the Tax Policy Commission, it should be authorized to appraise the services now being rendered by government within the State in a serious effort to reduce over-lapping and conflicting services and dual responsibility.

During this study period, I advise that we hold the line against any and all additional expenditures not absolutely required to meet emergency needs. New Jersey enjoys the lowest per capita State tax collection in the Nation. We shall strive to maintain that favorable position. On the other hand, there is growing awareness of the need to modernize an antiquated tax system with many inequities. At your request the Tax Policy Commission is engaged in this study. In my judgment, the study should be broadened. In co-operation with representatives of our local government every phase of the problem should be analyzed.

Since our primary concern this year is to finish tasks to which we have set our hands during the past three years, it is not necessary for me to review all of the recommendations of the last three years. Nonetheless, I should like to make it abundantly clear that I have not changed my position on any of the recommendations heretofore made.

Our concern for an orderly and economical government has not prevented us from adopting programs designed to protect and promote the health, safety and welfare of our

citizens. New Jersey has pioneered in the development of these programs within the framework of a private enterprise economy.

We must face the fact that the National Government continues to be committed to deficit financing. This is inflationary. It means less purchasing power both for the State's tax dollars and for the individual's pension and insurance benefits. If our insurance programs, including particularly sickness benefits and unemployment compensation, are to have real meaning and accomplish their purpose, the present maximum benefit payments should be increased to levels that will permit them to accomplish their objectives. Further, we should eliminate the present discrimination between employees of firms employing four or more persons and those employing less than four. Every effort should be made to limit benefits to those entitled to them, but those who are entitled to benefits should be protected by recognition of the new wage structure of industry.

It is sound policy to place our emphasis upon these insurance programs, rather than upon direct relief. The New Jersey Unemployment Compensation trust fund in Washington contains credits of over \$400,000,000. We are fortunate in having the largest reserve ratio of any industrial State in the Union.

Last year we achieved full coverage of occupational diseases under our Workmen's Compensation Law. A number of inequities still remain to be corrected this year. Provision should be made for the prompt settlement of all compensation cases, including a board of review within the Department of Labor and Industry and a direct appeal to the Appellate Division of the Superior Court, eliminating the present appeal to the county courts.

The right to organize and bargain collectively, guaranteed in our new Constitution, should be augmented by a State Labor Relations Law applicable to intra-State employees. Our present Minimum Wage Law should be made more comprehensive.

Within the State Government we should consolidate and systematize all agencies engaged in the various categories of welfare services. The Department of Institutions and Agencies is presently engaged in the consolidation of its activities. Nonetheless, two State departments, several Federal agencies, the counties and municipalities are all engaged in welfare services. This arrangement is neither economically sound nor administratively desirable. State welfare activities should be confined to a single State department. The number of levels of government engaged in welfare services should be reduced. A report on this subject will be submitted to you shortly for your consideration.

There will be no security, either in private or public pension programs, nor in our national old age and survivors' insurance program—in which New Jersey has a vital stake—until we have reasonable prospects that future prices will remain within reasonable limits of today's promises of future benefit payments. Deficit financing, poor planning and extravagance in government promote insecurity rather than security. We have taken the position that the National Government should not expand its direct relief activities at a time when the emphasis should rather be placed upon the strengthening of old-age and survivors' insurance, expanding its coverage, thus reducing the need for Federal old-age assistance, in which the State is a participant. As part of our tradition that the State should seek to do more and more for itself, while asking less and less of the National Government, I recommend that the entire subject of pensions and our insurance programs be studied in the light of our post-war experience and to the end that State policies may be established at the State level.

On numerous occasions, I have stressed the fact that our problems are largely social and economic, not political. In common with all other States, New Jersey is facing serious fiscal problems. The demand for services by our citizens far exceeds available revenues. A most striking illustration of this fact is to be found in the field of education. Since our capacity to increase State aid for education is limited

to available revenues, I shall discuss that subject in my Budget Message.

Our teacher salary schedules and pension programs should be further strengthened. I recommend that the members of the State Board of Education should be chosen from the State at large, with no limitation in regard to the number to be chosen from any one county, and that the terms of two members of the board shall expire each year. I recommend that legislation be adopted authorizing the Board of Education to appoint a commissioner, subject to the approval of the Governor.

The 1949 report of the President's Highway Safety Conference states "the outstanding achievement during this year was made in New Jersey. Legislation was enacted for a State-wide system of county district courts and municipal courts to replace police courts, recorders' courts, family courts, magistrate courts, justice of peace courts, city district courts, and small cause courts. The new courts are an integral part of the State judicial system, under supervision of the Chief Justice of the Supreme Court." The new system appears to be working well. It does, however, require further strengthening.

Everyone, I believe, recognizes the need for greater uniformity in traffic regulations throughout the country. I recommend that we adopt a uniform vehicle code. Effective action should be taken to prevent destruction of our highways by trucks of excessive weight and size. These trucks constitute a definite menace to other users of our highways. New Jersey should seek uniform regulations with its neighboring States on this and on subjects relating to the use of our highways.

Good traffic laws and effective enforcement can do much to reduce the toll of traffic accidents; but our major need must remain improved and modernized highways throughout the State. During the past three years, we have allocated almost \$180,000,000 for the construction, maintenance and safety of highways at the State, county and municipal levels. These new highways include freeways

and parkways that are now under construction, to relieve traffic bottlenecks in our major cities.

The New Jersey turnpike is a major piece of our unfinished business. The innovation of the turnpike in New Jersey which fundamentally becomes the backbone of the new State highway system has required a restudy of all of our highway planning to take full advantage of the turnpike's great potentialities. For the first time, we are in a position to anticipate meeting fully the requirements of the world's heaviest traffic load. The continued development of freeways in the metropolitan areas of North and South Jersey, such as the Trenton and Camden freeways soon to be completed, will continue a major policy of our administration.

We have yet to overtake the needs of the automotive age, but we are pledged to continue the effort. With a view toward a full solution of our State's transportation problems, I renew to you the program and recommendations which are already before you for a co-ordinated highway, rail, air and water transportation system, which will not only relieve our roads but secure high-speed transit facilities in North and South Jersey.

Water shortage is not a new problem in New Jersey. The current shortage is in part due to a deficiency in rainfall and in part to a steady increase in demands—in face of an inherently deficient water supply system. No large additional supplies of water have been made available since the Wanaque system was put into operation in 1930.

I recommend the creation of a water Authority within the Department of Conservation and Economic Development empowered to immediately complete the Delaware and Raritan Canal water supply project as authorized by the Legislature in 1948. The completion of this project will make available an additional 75 million gallons a day for the lower Raritan valley between Bound Brook and New Brunswick and can be made available north into Union county as far as Elizabeth.

This Authority would be further empowered, subject to the approval of the Legislature, to develop other sources of water. It should be understood that the purpose of the Authority is to co-operate with municipalities of the State; the New Jersey District Water Supply Commission and other State and interstate agencies.

In addition, the State should sponsor a tri-State Water Authority, including Pennsylvania and New York, to develop the water resources of the Delaware river watershed and to make those resources available to the citizens of the three States. My studies indicate that these projects may be completed on a pay-as-you-go basis. The modern industries of New Jersey, and the employment they provide, are very largely dependent upon a sure source of water.

As I have previously stated, one substitute for big government in Washington is responsive, serviceable, State Governments and interstate co-operation.

Our institutions are performing modern miracles in the treatment of persons suffering from mental illness. Seventy-four per cent of the admissions to our mental hospitals are now being returned to society in less than six months, and an additional 13 per cent are cured within six to eleven months. There are, of course, incurable cases. When the construction program, that will be undertaken this year, is completed, we may confidently expect an improved rate of cure or correction. This has many advantages—humanitarian, as well as economic.

Our mental hospitals have, over a period of years, served not only as places for active treatment, but also as social and scientific laboratories for the testing of procedures and practices that have won the praise and support of the medical profession. The \$25,000,000 rehabilitation and construction program approved last November will permit us to overcome the fire hazards that presently exist within our institutions and take initial steps to eliminate serious overcrowded conditions.

The need for the development of regional health services, and the strengthening of inter-municipal co-operation, is

apparent. The Department of Health has been authorized to create regional health districts. We believe that through the medium of State and local co-operation, in close association with the medical profession and the encouragement of private medical and surgical plans, we can make adequate medical care available to all of our citizens. It is apparent, however, that there is a very real need for medical training facilities within our State. We are exploring every phase of this knotty problem.

Last year, I urged the adoption of a broad program providing for a concerted attack upon our slum areas and for the stimulation of low-rent housing within the reach of families of limited incomes. The program was adopted. As a result of the November election, we will not be able to use the State's credit in furtherance of this program.

A large amount of rental housing and home construction has been undertaken in the past year. Despite this, and after an extensive study of the problem, the Temporary Committee on Housing (J. R. 4, 1948) clearly shows, in its report which has recently been filed with you, that there still exists a need for housing which can be made available at a cost of from \$50 to \$60 per month and less. Moreover, the social cost of slums and the need for slum clearance is just as great as ever. We shall not abandon our housing responsibilities to the Federal Government. But the initiation of the Federal program, under which many of our municipalities plan to act, makes it prudent to re-examine our previous plans.

We can take encouragement from the recent and gradually increasing development of serious interest among builders in our new Limited Dividend Housing Law. We shall stimulate and foster this interest to the fullest. Legislation further to strengthen this law and to provide additional encouragement to private enterprise to engage in large-scale middle-income housing construction will be submitted to you shortly.

The Department of Law and Public Safety and the Department of Health are now jointly engaged in the

formulation of plans to provide, with the co-operation of our local governments, a unified and vigorous enforcement of all laws and ordinances applicable to substandard housing.

The continued shortage of housing, particularly in our urban areas, requires that we devote our attention to the need for the continuation of rent controls until such time as there is a reasonable balance between housing supply and demand. I urge you to adopt legislation establishing a State stand-by residential rent control law—one that will serve fully to protect our citizens should the Federal Government decide to withdraw from this activity.

An extensive study of the building code situation in our State was undertaken by the Temporary Committee on Housing. Its report shows that we have today 179 different building codes in municipalities of 2,500 population or over. In addition, 60 per cent of these codes range in age from 11 to 30 years and present a condition which seriously stifles the realization of low-cost homes.

The need for uniformity, simplification and standardization in this field is crystal clear. Accordingly, I urge the immediate adoption of legislation creating a State Building Code Commission with authority to formulate modern, performance-type building codes. Much of the spade work along these lines has already been gotten under way through the Division of Planning and Development. The legislation should include authorization for the formulation of up-to-date plumbing and electrical installation requirements, adequate local option provisions in the adoption of the code, and enforcement and supervision at the local level.

On the agenda of unfinished business, I urge you to provide for a much-needed continuing revision of our general statutes; continue support of our notable civilian defense program; strengthen our veterans services in which New Jersey has pioneered; and make provision for the protection of our resort areas and the development of new parks, including particularly the Sandy Hook project.

There will be plenty of hard work for all of us. The Legislature will want to participate in the studies and hearings that must be completed prior to final consideration of a modern and equitable fiscal system. The Legislature will also have an opportunity to perfect its own techniques, including the consideration of a Legislative Council which, from the point of view of the Executive branch of the State Government, will promote a good working relationship with the Legislature during the period when the latter is not in session.

I have enjoyed our work together during the past three years. We have been engaged in large undertakings. We have been an intimate part of the forces that for ages past have been seeking a better way of life for mankind. I am looking forward to a continuation of our pleasant and constructive relationship. Despite the pessimism of some, we live in a good world. It is a world of opportunity, particularly in the field of government.

As we move ahead in the service of our fellow citizens, let us dedicate ourselves to giving a new warmth, a new dignity to the basic strength of our sacred heritage as citizens of a Republic of free people. Under Divine Guidance, our aims, our hopes, and our prayers for lasting peace, a world in which spiritual values are paramount and in which each person is free to play his part, will be achieved.

Respectfully submitted,

ALFRED E. DRISCOLL,

*Governor.*

[SEAL]

Attest:

RANSFORD J. ABBOTT,

*The Secretary to the Governor.*