

Third Annual Message
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Governor of New Jersey



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CONTENTS

OPENING	5
OUR HUMAN RESOURCES	6
Education—The Cornerstone	6
The War Against Poverty	15
Civil Rights—Goals to be Reached	21
Institutions and Agencies—Human Impacts	25
An Achievement in Veterans' Care	28
Women's Opportunity—New Potential	28
Concerted Efforts for the Aged	29
Youth, A Variety of Programs	30
The Public Health	31
Protection of the Consumer	35
The People's Safety—Drinking and Driving	37
Law Enforcement	39
Narcotics—A New Approach	40
New Cultural Horizons	41
OUR ENVIRONMENT—THE DEVELOPMENT OF NATURAL ASSETS	43
Water—A Special Concern	44
The Vision of Green Acres	47
Enjoyment of the Land	49
Urban Areas—An Opportunity for Action	51
The Search for Economic Strength	53
Labor, A Changing Demand	57
The Link of the Economy—Transportation	60
The Broad Look, Regional Planning	65
Jetport, A Continuing Search	66
An Urban Frontier—The Meadows	66
Federalism—The Fruits of our Partnership	68
Public Utilities—Sensitive Regulation	69
Preserving Our Agricultural Heritage	70
A Transfer of Responsibility	70
THE FRAMEWORK OF GOVERNMENT	71
The Legislature—Profound Changes	71
New Demands on the Courts	74
The Service of the Public	76
Advances in Electronic Data Processing	80
FISCAL RESPONSIBILITY—THE BASIC QUESTION	81
CONCLUSION	85

Third Annual Message

Mr. President, Mr. Speaker and Members of the Senate and General Assembly:

We meet today in an atmosphere of change. This will be the final year of the New Jersey Legislature as presently constituted. Together, the Legislature and Governor have been called upon to take historic new action to revise the legislative branch of government in keeping with the mandate of the United States Constitution, as declared by the Supreme Court of the United States and the Supreme Court of New Jersey. While many respected viewpoints exist as to the wisdom of these decisions, there is no room for dispute as to the duty of obedience to the supreme law of the land.

This turning point for New Jersey coincides with what many people see as the opening of another era in the history of our great nation. In America, at this midpoint of the 1960's, a newly elected administration and Congress take office in an age which looks forward with real hope to the conquest of space, the achievement of peace for all men, and the equitable distribution of the fruits of man's genius.

In the same sense, as we write a close to one chapter in New Jersey history, we have the opportunity to begin to shape the story of New Jersey's future. The work before us will not be easy. The identification of our problems and needs is less difficult than the accomplishment of their solutions. This is not a time for political ease or political expedience, but a time for courage in coming to grips with the issues before our State. And this invokes a sense of responsibility for, as Theodore Roosevelt once said, "If we are to be a really great people, we cannot avoid meeting great issues. All we can determine is whether we shall meet them well or ill."

In New Jersey, the problems which confront most states appear in sharp focus. This is not a new concept. It was recognized 54

years ago when Governor Woodrow Wilson described New Jersey as a "laboratory" for the development of national solutions.

The years that since have passed have served only to intensify the problems he cited and to add many more to the list.

The problems of an adequate supply of pure water for human and industrial use; the assurance of pure air; the provision of adequate housing in our cities and the preservation of community life in these cities; planning the most useful development of our open land for industrial, residential and recreational use—these will be some of the major problems and challenges of the next 30 years and they will demand vigorous action before this decade ends if they are not to overwhelm us.

We must take action now—in the 1960's—to see that New Jersey does not become a grim preview of a polluted, congested world of the future.

We cannot permit our State to strangle in traffic congestion, to fail in its responsibilities to educate its children and provide jobs for them to make that education meaningful. We must assure that no Jerseyan be barred from the full exercise of his natural talents or his human rights because of his religion or race. We must build a framework of law and administration to protect the innocent against the unscrupulous. And we must ever bear in mind our duty, as a humane people, to provide for the needs of the ill, the handicapped, the disabled.

These indeed are imposing tasks. But we have been blessed with the means to meet them. We need only summon the will.

OUR HUMAN RESOURCES

Education—The Cornerstone

Education is the cornerstone of the society in which we and those who follow us will live, and no part of the life of this State consumes more of the attention of our citizens than does the education of our children. We see in them the most priceless of assets, and thus we are united in the determination to build a first-class educational system, and have regularly dedicated to that

effort the largest part of our spending, both on the State and local level. In many ways we have made substantial progress. Enrollment in the public schools has grown from 800,000 to 1¼ million in the past 10 years. Yet, today the supply of teachers needed is more nearly in balance with the demand than it has been during the past decade. This has been made possible through expanded enrollment in our State colleges and new programs of teacher-preparation in our private colleges and universities.

And commendable progress, too, has been made in the physical facilities of our public schools. A local school district building program averaging \$100 million a year has decreased the number of pupils on half-sessions and in overcrowded buildings from 140,800 to 115,000 during the past year alone. The number of classes for the physically and mentally handicapped has increased, with more than 17,000 enrolled this year. New programs for the special training of teachers for handicapped children—a profession touched with a particular glory—have been instituted in many colleges. Our expanding efforts on behalf of the less fortunate can be a matter of pride to all New Jerseyans.

If we speak of higher education, significant increases in enrollment have been accompanied by curriculum additions and improvements. During the past decade, full-time enrollment in publicly supported colleges has risen from 10,000 to over 27,000. All six State colleges now offer full majors equivalent to those offered in any general college and have added special programs on the education of the handicapped, for school librarians, nurses, guidance specialists and remedial reading teachers. Last year, as an experiment, Newark State College and Jersey City State College made a special effort to orient a part of the senior class toward the needs of education in the disadvantaged sections of our large cities. As one result, 39 graduates of Newark State were offered and accepted positions in the Newark schools.

A Catalogue of Progress

The steady expansion of Rutgers—The State University has continued through a new Center for Information Processing for training and research in the use of computers, a new Radiation

Science Center, the addition of a chemical engineering curriculum, the dedication of the Center for Alcohol Studies, the installation of a huge Tandem Accelerator for research and training in nuclear physics, capped by the acquisition of 540 acres of Camp Kilmer land where eventually thousands of students will be accommodated with laboratories, classrooms and residential dormitories.

Additionally, I was pleased, in accordance with the Water Resources Act of 1964, to designate the University as the Water Resource Research Institute for the State of New Jersey. Moreover, this Administration is actively seeking the designation by federal authorities of Rutgers as the site for the Federal Water Pollution Laboratory for the Middle Atlantic States. The particular relevance of both of these Research Centers to the future of New Jersey is self-evident.

This year has seen, too, continued evidence of the partnership between University and government such as in the study of legislative procedures completed by the Eagleton Institute and the ongoing assistance of the Urban Studies Center to the Newark Community Action Program.

Last fall we dedicated the new Physics Building at the Science Center on the University's Piscataway Township campus. It is gratifying to note that this important Center is continuing to expand and not only contribute to the education of the State's undergraduate and graduate students but also to work cooperatively with industry in the State of New Jersey. The magnet-like effect of these developments has already been demonstrated in the decision of many industries to locate in the area, proof positive of the interdependence of advanced education and industrial progress.

Two Medical Schools

In a most heartening demonstration of cooperation for the public good, a bipartisan effort has made it possible for the State to take over the operation of the Seton Hall College of Medicine and Dentistry. At the same time, the State pledged additional future support of substantial nature for the further development of the two-year medical school at Rutgers. Thus, almost over-

night, the State has made up for years of inaction and finds itself with two sorely needed medical schools, one of high reputation already in operation and the other in advanced stages of preparation.

On another subject, it seems to me that New Jersey, because of its preeminence in electronic manufacture, research in varied fields, and many other types of advanced technology, must be alert to special opportunities to develop educational resources to meet a particular need. As an example, there exists within our State borders the National Air Facilities Experimental Center at Pomona, in Atlantic County. Why should not this facility be complemented and a very great opportunity for New Jersey be realized by encouraging the establishment at that site of a four-year college program in the fields of aeronautical and air space sciences? A revised bill to lay the groundwork for this development will be offered to you for consideration.

One of the most exciting developments during my administration has been the providing of opportunities for higher education in the establishment of the two-year county colleges. Fifteen of our counties are now engaged in some state of county college development and five have been initiated already, having been approved by the State Board of Education. In 1966 the first of these will be opening their doors to new thousands of New Jersey boys and girls. Funds must be found for aggressive county college development, for we have made an outstanding start and cannot permit this program to founder.

New Blueprints

Research, experiment and self-analysis have continued to play an important part in our educational system. The past year has seen the publication of three education studies undertaken by the State—the Report on Higher Education, the Report on Special Education and the Report on Vocational Education. These are challenging and provocative studies and I commend them to your thoughtful attention. The Report on Higher Education has already induced a considerable amount of discussion and I hope that before any judgment is made on the recommendations it

contains, there will be an even wider public discussion and an opportunity given to all who have an interest in the future of higher education in New Jersey to present their views to you.

Experimental demonstration projects have also been used to improve our system. For example, our Department of Education is presently engaged in an experimental nursery school program for four-year-olds in cooperation with the school system of Trenton. This program, known as the Junior Five Project, is designed to prepare children for a meaningful and successful school experience which such problems as mobility and low economic status would otherwise prevent. The program was started last year and now the first group is attending kindergarten. While the continuing study is not complete, the kindergarten teachers and other experts believe that those who were in the nursery school last year are more self-confident and independent, have greater language facility and physical coordination, participate more, and in general seem to have had great benefit through the nursery school year.

New Jersey was the first State to conduct a thorough state-wide study of school dropouts and, through the use of data processing methods, a continuous flow of information is available concerning the number, the location and the cause of school dropouts. This information is used by the Department in follow-up studies to determine the fundamental causes underlying this problem.

New Jersey was a pioneer in instituting safety programs in such a peripheral area as school bus warning lights. The Society of Automotive Engineers has now mandated for the United States the broad beam flashing red light developed by this State. I am happy to report that since the installation of the New Jersey-developed flashing light system, accidents at our school bus stops have been reduced by 70 per cent. Suggested improvements in the enforcement aspects of these laws will be submitted to you.

While we have made progress, we should not be complacent. The needs in education of our fast-growing population are almost insatiable. As in many other areas, the crucial ingredient is money. The \$40 million bond issue which was approved in

November will provide additional needed facilities for our colleges, but it only begins to meet the needs. The Strayer Report estimated our minimal college needs between now and 1970 at \$134 million. Unless provision is made for additional facilities in the very near future, a whole generation of college students will be lost. It is not a matter of pride for New Jersey to acknowledge itself to be at or near the bottom of the list of the states in degree of financial support of higher education.

A New Plan for Scholarships

Rising costs of private colleges combined with inadequacies of space in State-supported institutions have rendered our program of scholarship assistance inadequate. To date the State has invested more than \$14 million in scholarship aid—11,000 of our young people hold scholarships. In addition, more than 8,000 students are receiving the benefit of our student loan program. There is reason for pride in this situation, but we must note a serious shortcoming. Because of the disparity in admission fees between State-supported and private colleges, our \$400 scholarship is realistic only in terms of attendance at the State-supported institutions. The recipient, faced with the substantially higher tuition costs of the private college, has little freedom of choice. Our State Board of Education, has, therefore, recommended a program of incentive grants which will provide the needed flexibility of choice. This plan goes beyond the present State scholarship program to provide additional tuition assistance to college students, to a maximum of \$600 a year, related to the student's financial need and the cost of tuition at the college he selects. Such a program would enable a greater number of worthy New Jersey students to select private colleges and at the same time make a corresponding reduction in pressure of the demand for places in the State-supported institutions. This administration will propose appropriate legislation for your consideration in the near future.

To Lighten a Burden

The overwhelming burden for the cost of local public education continues to fall on the local property taxpayer, inasmuch as New Jersey's contribution by way of State aid to education (aside

from teachers' pensions) is only 16 per cent of the cost of local public education. I have repeatedly called your attention to the proportionately small contribution made by the State to the local school districts. Although this amounted to \$116 million in last year's budget and will be about \$120 million this year, it still leaves a crushing burden of cost on the home owner and rent payer, and this burden should not and indeed cannot be carried much longer. To meet the recommendations of the State Tax Policy Commission, we should increase State aid by at least \$90 million.

It has been ten years since the State aid formula was revised, and during that period changing conditions have rendered it inadequate. When the Foundation program was established at \$200, the median per pupil cost was \$262; today it is \$476.94. The equalization factor has created an inequitable distribution of the tax burden which results in extremely wide differences in expenditure per pupil as between districts. In spite of the real efforts made by citizens in many low expenditure districts, the goal of equal educational opportunity is receding. In our older cities, particularly, the problem is acute. Almost all of them now find themselves imposing a high local tax rate yet achieving a program of per pupil expenditure which is inadequate for the special educational needs in this type of community. The local taxpayer has shown in his attitude toward a local bond referendum or the local school budget an increasing reluctance to go it alone. Unless we face up to our responsibility towards State aid, our educational system will be in jeopardy.

Vocational Education—The Problem

In my last Annual Message I called your attention to the tragedy of our unemployed youth. It has been estimated that 50,000 of our young people between the ages of 16 and 21 are neither in school nor working. Even more alarming is the prediction that an average of 11,000 will be dropping out of school during each of the next five years. In a time when opportunities for the unskilled are almost non-existent, these young people face a life of unemployment, dependency and hopelessness, and present a stark and frightening problem with which the State must deal.

For many pupils, the academic, college-oriented school program often breeds frustration and despair. Handicapped by a home environment deficient in reading or conversational contact and faced with an educational program which has no meaning to them, they endure school only under the compulsion of law and drop out at the first opportunity—barely literate, untrained and unmotivated. Vocational education can and must serve the needs of the slow, the handicapped, the reluctant and the potential dropout, as well as those of high intellectual capacity who gravitate toward the practical type of life-work, if there is to be any meaning at all for the truism that "public education is for all of the children of all of the people."

Young people vary widely in their abilities, interest and vocational goals. They also differ greatly in personality, emotional stability, family and home backgrounds and in physical and mental health. Recognition of these individual differences has led to the need for a very flexible and diversified program of secondary education in America.

Our Department of Education has recently completed a study of vocational education made by a distinguished group of business, labor and educational leaders. The findings of this committee are startling. Only 3 per cent of our secondary school youth were enrolled in federally reimbursed vocational programs in 1962. We ranked last among the states in the number of persons per 1,000 population enrolled in courses in vocational education and this program manifestly has not reached the disadvantaged to whom I refer. The committee expressed this thought:

"As important as general education is for the development of the individual and the preservation of our culture and way of life, it is not enough for the majority of New Jersey youth who will operate machines, shops, offices and provide our services * * * To the extent that secondary schools are not providing vocational opportunities, they share the responsibility for this situation."

According to the Strayer Report, about 38 per cent of our secondary school graduates went on to college in 1962. For the remaining 62 per cent a pre-college program had limited utility;

and for the 11,000 dropouts, no meaning whatsoever. Under these circumstances, vocational programs which embrace only 3 per cent of the school population are totally unacceptable.

Vocational Education—A Plan

The Vocational Educational Study Committee has urgently recommended that training for work be made an integral part of education; that vocational training or work experience be combined with meaningful, job-related general education. I will not take the time here to review the specific recommendations of the Committee, but I commend this study to you and all the citizens of our State.

The Commissioner of Education is deeply concerned about this problem and has been for many years. I have asked him to prepare a program to introduce such training into the regular school curriculum and thus to insure that every child, whatever be his needs, abilities or aspirations, receives from our educational system a meaningful experience which will prepare him for effective participation in society. There has now become available from federal grants under the Vocational Educational Act of 1963, and including State and local matching funds, the sum of \$5,400,000 for vocational education. I have requested the Commissioner to consider using a portion of these funds to establish initial programs in appropriate school districts, those presenting a frighteningly high drop-out or youth unemployment rate. Some of these will provide for vastly enriched vocational programs in comprehensive schools and expanded counseling services where guidance will be balanced between the academic, college-oriented student and the occupational, job-oriented student.

The long-range program of the federal Vocational Educational Act of 1963 provides an outstanding opportunity for us to meet the needs of New Jersey youth. The broadened definition of vocational education to include the semi-skilled as well as the skilled—the service occupations as well as the technical occupations—will permit us for the first time to give training in such courses as appliance repair, dry cleaning, dental technician, heating and ventilation and nurse's aide. This new program also will

permit a substantial expansion of the work-study concept which has been so successful in the few places where programs thus far have been inaugurated, and to which I made reference in my last Annual Message. These programs provide supervised work experience for persons enrolled in school and who, through a cooperative agreement between the school and employers, receive part-time vocational education in school and on-the-job training in industry.

It may be that further legislation will be required to implement the needed expansion of our vocational education program. I hope that at such time you will give such recommendations your earnest and urgent attention.

The War Against Poverty

This year marks the opening of the full-scale national war on poverty declared by President Johnson, ratified by the Congress and relying on State and local governments to design the specific battle plans and carry the war to the front lines.

This unique legislation comes at an opportune time. It is unique because it creates self-help programs, not public assistance programs—projects aimed at eradicating the causes of poverty. It is not meant to be more of the same, more dole, more sympathy. It is meant to be for every individual and every family a real opportunity to escape from the vicious cycle of poverty.

It is also unique because it does not attempt to set broad national solutions for poverty problems, but rather puts that burden squarely on State and local government. The legislation recognizes that the causes of poverty and its consequences differ from state to state, from community to community, and calls for local initiative in determining what the problem is and what can be done about it.

It is unique legislation because it requires the involvement of the poor themselves in the planning and operation of these programs. It insists on broad community-wide representation—not doing for people, but people doing for themselves.

The war on poverty comes at a strategic time, because today, for the first time in our history, we in the United States have the resources and the knowledge to eradicate poverty. We know how to get at its roots, how to attack it through education, housing, health and welfare programs, and manpower training designed to meet today's needs.

A Test of Federalism

Because it is unique, the Economic Opportunity Act of 1964 has far-reaching implications not only for the forgotten families across the country and for New Jersey's 180,000 families living with incomes of \$3,000 or less; it has far-reaching implications for the Federal System as well.

In effect, State and local government is being given a tremendous opportunity. The Federal government is saying, "We have marshalled the resources and we make them available to you. Can you mobilize community and State efforts to make a start on eradicating poverty in New Jersey?"

There are two alternatives: one is for New Jersey to sit back while the responsibilities we fail to meet are gradually and necessarily transferred to the Federal government; the other is to respond.

I propose that New Jersey face up to its responsibilities, and I contend that State government at its best is in a position to minister to the diverse needs of its constituents far better than impersonal national programs. I am not espousing archaic States-rightism, but a belief in a partnership under the Federal system which can be maintained and should be maintained only if the States face up to their responsibilities.

In this spirit, three months ago, I established by Executive Order a temporary Office of Economic Opportunity for our State. In those three months New Jersey has taken the leadership among the states in the war against poverty.

The Components of Leadership

The principal effort here has been to coordinate the State's economic opportunity goals and to provide direct assistance to

communities desiring to participate. By acting rapidly to take advantage of the Act, we have made substantial gain already, and every day sees more New Jersey communities launching programs:

- New Jersey was the first State to receive a grant under the Economic Opportunity Act.
- the Job Corps Center at Camp Kilmer, scheduled to open in mid-February, will be the first such center opened in the country.
- Newark was the first city in the country to sign a contract for a neighborhood youth corps program, providing experience for school dropouts age 16 through 21.

Thirty-one applications under this section of the Act from communities and State agencies have been filed in Washington, more than any other State. They will provide work opportunities and experience to young people in every section of the State, urban and rural.

Five community action programs are already under way. Soon this total will have grown to 12 fully approved community action programs functioning in New Jersey counties and communities.

The New Jersey Office of Economic Opportunity has developed a three-part program especially designed to stimulate anti-poverty efforts in rural New Jersey. The State Department of Health in cooperation with the Office has submitted a proposal for medical examinations and remedial help for school dropouts and draft rejectees taking part in New Jersey anti-poverty programs. The examinations and services will be provided on contract with community hospitals throughout the State. Our Department of Conservation and Economic Development and the Department of Institutions and Agencies have both applied for Federal funds to provide work-experience opportunities in State parks, forests and recreation areas and in State institutions.

New Jersey has already been allocated \$561,000 for adult education programs aimed at the poverty population. Moreover, the sum of \$1.2 million has been earmarked for New Jersey students in need of part-time and summer work to continue their higher education.

Already more than \$14 million in Federal anti-poverty funds have been committed in New Jersey, and this is only a beginning. Given good programs, more than \$20 million should be committed by June 30th.

The New Jersey Office of Economic Opportunity has met with more than 60 communities, 13 counties, and numerous private organizations. Its small staff, supplemented by the services of other State agency personnel, has provided major assistance in the development of every community action application from this State.

These new anti-poverty efforts are not written on a blank page. They are intended to expand to full fruition the basic social efforts which have been the concern of State and local government for many years. There are few departments of State government whose programs do not in some way involve New Jersey's poverty population.

If this new infusion of Federal funds is to make a significant beginning in the final eradication of poverty in New Jersey, however, we must not rely solely on our early enlistment in the war against poverty, but must continue our efforts until the final battle is won. Let us spell out new efforts to reach old problems and very serious ones.

To Break a Cycle

Next fall about 115,000 of our children will be starting school. Of that number, approximately 15,000 will come from the poverty population homes with family incomes of less than \$3,000. On their first day of school, many of these children will be doomed to become eventual school dropouts; not because of low I.Q.'s or physical disability, but simply because the home-life which they have experienced has not prepared them for school. They may have the ability to learn but not the motivation. They may never have seen a book before, or never been engaged in any kind of meaningful conversation. Thrown into the school environment with little preparation, with vague and uncertain goals, little incentive, unable to keep up with better prepared classmates, they may be discouraged and frustrated from the very first day. School

may become a bitter experience and the path which leads to the dropout may be clearly seen by the end of the first year.

The cost to all of us of this pattern is obvious. Modern technology will almost completely wipe out unskilled jobs by the time these children seek employment 12 years from now. When they do work, they will command low pay. Many will not be able to avoid unemployment and will have to depend on tax-supported public welfare for their subsistence. Left on their own, their children are likely to follow a similar pattern and repeat the unhappy cycle in the next generation.

If we do nothing, for many of these 15,000 five-year-old children, this is exactly the future they will face. But we have it in our power to do something—and do something we must.

I seek your support for a State-wide summer school preparedness program, to begin this summer, tied to the federal Economic Opportunity Act. We have already demonstrated what can be done in a pre-school program to identify and eliminate the problems these children will bring with them on the first day of school—the Trenton Five Project to which I have already referred. We owe it to these children and to ourselves to give them this opportunity.

Ten summer weeks of individualized attention and concentration on these weaknesses, may awaken a desire for success in school which will literally change a child's entire life.

Financial Incentives

To launch this program which hopefully could reach in this next summer at least 5,000 of those disadvantaged who will be entering school next September, a minimum of funds will be required from State government. In most cases, the Federal government under the Economic Opportunity Act will pay 90 per cent of the costs involved in this program. Much of the remaining 10 per cent can be met by in-kind contributions from communities and the volunteer help we hope this program will induce. But the added incentive of some State dollars and guidance from the State Department of Education can be the spur which initiates local programs.

I will propose in my budget message that a sum of \$200,000 be set aside to insure the State's full participation in Federal anti-poverty programs. When added to the \$1.8 million in Federal Funds which this State money will generate, a total of \$2 million will be available to communities for the following purposes:

- (1) to stimulate summer preparedness programs on the local level for disadvantaged children.
- (2) to provide funds to communities for the purpose of keeping schools in economically deprived areas open beyond the normal school day for the purpose of tutorial, vocational, recreational, adult education programs and other programs under the Economic Opportunity Act.

The New Jersey Office of Economic Opportunity will coordinate these programs with the Department of Education, communities participating in the war against poverty and other agencies which should be involved.

So that State agencies may take advantage of additional funds which are available under the Economic Opportunity Act, I propose that transfer of appropriated State funds be permitted where necessary to make up the required 10 per cent non-federal share. This would permit the New Jersey Office of Economic Opportunity to continue the development of programs such as I have described with the several State Departments.

The small state investment proposed here, with the help of the 90 per cent matching federal formula, on-going state programs, and local contributions, can multiply into a major effort, and the savings to the State in unemployment benefits and welfare programs in later years will make this outlay seem small by comparison.

Needed Legislation

In order to give full impetus to the efforts of New Jersey's communities to organize Action Programs under the Economic Opportunity Act, I am submitting legislation to clarify existing State Law on the question of non-profit community corporations.

Many communities have chosen a non-profit corporation or organization as the vehicle through which to channel their anti-

poverty efforts. The question has arisen whether local governments and county governments may contribute public funds to such organizations. I will propose that existing State Law be amended to provide that community action organizations recognized under the Federal Economic Opportunity Act are clearly eligible to receive support from municipal and county governments.

These immediate efforts related to the Federal Economic Opportunity Act are not isolated. I refer to many other programs in this message today which complement and supplement our endeavors. The expansion of our vocational education, revision of the ADC program, a State Health Aid Act, a more effective program of state aid to local school districts, and a vigorous program of revised labor benefits for our workers. These must all go hand-in-hand with the continuing responsibilities of State government for the education, health and social welfare of its citizens.

Civil Rights—Goals to be Reached

We observe this year the 20th anniversary of the passage of the first modern civil rights law in New Jersey. The enactment of the landmark Civil Rights Act this past year has seen America pass a crucial milestone in its reach for a society in which citizens accept by their actions, as well as by their words, the self-evident truth that:

"All men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness."

It might be useful for us to reflect for a moment on the progress of human rights in our State and the goal we seek for all our people.

We in New Jersey have always shared the American dream of a better life for our children in a land where the doors of opportunity stand open to all; where our aspirations are limited only by our ability and talent; where hope is made tangible by a progressively more prosperous society. But this abundance has not been shared by all our citizens. Some New Jersey citizens, because of their color, their religion or their national origin—all

purely chances of birth unrelated to ability—have been blocked from opportunity, frustrated from hope, and deprived of their share in the American dream.

Our goal is to assure to all citizens those rights we desire to be safeguarded for ourselves. When a citizen of New Jersey, because his skin is dark, cannot acquire the home he can afford, the property rights of all are threatened; if he cannot become a member of a union and thus gain a job for which he has the requisite background and skill, the job security of all workers is threatened; if he cannot attend a school whose standards are as high as any in his community, then all educational standards are lowered; if, in short, he is not free to pursue on equal terms the dream that is the American way of life, that dream itself is diminished.

The Measure of Inequality

In New Jersey:

- 41 per cent of all non-white families earned less than \$4,000 in 1960.
- 38 per cent of the non-white population in Trenton and 52 per cent of the non-white population in Newark were renting dwellings or habitations classified as deteriorating or dilapidated.

A Negro in New Jersey:

- has one-thirtieth the chance of becoming an apprentice in a labor union.
- has one-half the chance of becoming a primary or secondary school teacher.
- has one-ninth the chance of becoming an engineer or technician.
- has two times the prospect of becoming unemployed.

New Jersey has long been a leader in the field of guaranteeing by law the rights of its citizens. We do not intend to lose that leadership now. We are doing and must continue to do all within our means to guarantee equality of opportunity especially in the fields of public accommodation, education, housing and employment.

The State Division of Civil Rights was transferred at the request of this administration to the Department of Law and Public Safety. Its current record of enforcement has vindicated the wisdom of this transfer. The Division in 1964 achieved corrective action in more than 100 cases, the highest in its history, and obtained affirmative implementation of equal opportunity in many additional cases where the specific complaint could then be dismissed.

The Division has used the broad investigatory powers recently granted to it and has established new working relations with many county and municipal human relations councils. It has issued educational materials and has counseled many fair employment, fair housing and other groups throughout the State.

For Expanded Effort

This expanding role of the agency is evidence of the beneficial impact it is having on the maintenance of better human relations and improved opportunity in New Jersey.

In my budget message, I will request additional funds to permit the expansion of the staff of the Division of Civil Rights. In contrast to New Jersey's small staff of 17 professionals, New York State has a professional staff of 200, handling a case load only slightly larger than New Jersey's. Pennsylvania recently augmented its civil rights staff from 53 to 85 professionals.

I also intend to request additional funds to permit this agency to publicize its activities and services more widely and make itself available to more of our citizens.

I am pleased to note the increase of local voluntary and official civil rights activities, especially in the efforts of community race and religion conferences, local private and official human relations councils and civil rights commissions. This administration, through the Civil Rights Division, will continue its efforts to stimulate the formation of similar groups in many more New Jersey communities.

The growing economic and social partnership between business, labor, civil rights and self-help organizations is one of the most

enduring developments of the past year. Such partnerships will outlast the problems of the moment to become permanent instruments for better relations among all groups of our society.

This administration will continue to seek to expand employment opportunities through every means available to it. We must be sure that all those willing and able to work can seek employment on an equal basis with all other citizens.

A Pattern in Schools

During this period of rapid social change in New Jersey, we may take pride in the foremost decisions concerning school integration made by any state department of education in the nation. These decisions have been tested and upheld in the Courts and have taken their place in the law journals across the country as precedent-making opinions. Although much remains to be done in this area, a pattern has been established which is guiding local school districts in their efforts to provide full and equal opportunity to all children as guaranteed by the Constitution and statutes of this state.

For several years the Legislature has been urged to pass an amendment to our fair housing law which would represent the determination of this state that no person shall be deprived of the right to own a home because of his nationality, his color of skin or his religion. This important measure deserves your support and I recommend its adoption.

The single most encouraging development of the past year has been the development of machinery at the national and state levels to combat the root causes of much inequality of opportunity—I speak of the War Against Poverty.

As I have noted, the New Jersey Office of Economic Opportunity is already deeply involved in the development and encouragement of programs designed to break the vicious cycle of poverty and lack of opportunity that strikes hardest at the non-white citizen. This administration is committed to this great effort. I am convinced that it is the only way by which our most disadvantaged citizens, especially the young, can gain the skills and opportunities to enjoy fuller, more meaningful lives.

Institutions and Agencies—Human Impacts

In no area is the impact of government on the individual citizen more profound than in the work of the Department of Institutions and Agencies. In one way or another—whether it be care for the mentally ill, work with retarded children, administration of a variety of welfare programs, rehabilitating young offenders, planning for local hospitals, or so many others—this Department touches directly the lives of some 200,000 of our fellow citizens every day.

Thus, I have sought during the last three years to emphasize, and even dramatize, the needs of our institutions and agencies. Here we are all involved—in cost, in conscience, in humanity. We have had successes, such as the recent institutional bond issue and our Purchase of Care Program for the mentally retarded and the completion of the Woodbridge State School project. We have had setbacks, such as the 1963 Bond Issue which would have provided \$60 million for institutional construction to be repaid from the earnings of the New Jersey Turnpike. While a review will show considerable progress in these years, we must bear in mind that New Jersey's remarkable increase in population and urbanization has its most direct reflection in the additional demands placed upon our institutions and agencies. In this light, I would like to review in some detail the achievements and needs of state government in this area.

A major duty facing this Legislature is implementation of the report submitted in 1961 by the Mental Health Commission that was charged four years earlier with the task of reviewing the body of laws concerning the mentally ill and mentally defective. The recommended legislation failed of passage in the sessions since 1961 because of concern about the source of funds that would carry out the recommended changes. As a result, I asked the Department of Institutions and Agencies to work closely with citizens' groups to make new legislative recommendations in this area. I am pleased to report that the Department, working with the New Jersey Mental Health Association, the New Jersey Association for Retarded Children and the New Jersey Welfare Council, has submitted to me proposed legislation which would

implement many of the major recommendations of the Mental Health Commission within present budgetary limitations.

We must be forewarned, however, that future amendments will be required to further carry out the recommendations of this outstanding report. And these amendments will require new expenditures of State funds.

A word about the Purchase of Care Program which I recommended and which you enacted last year. As a result of the \$1 million appropriation, there now are more than 230 mentally retarded children placed in private care, and a total of 300 will be placed by the end of the fiscal year. We intend to sustain this program in the coming year.

Human and Dollar Savings

Of equal significance in meeting the needs of the retarded is the Department's Day Care Program which began in fiscal 1964 and has been expanded in 1965. I shall recommend a further increase in the next fiscal year. This program permits care and training of retarded children who need not be forced into institutions. The public savings of such a program are obvious. But the human benefits are perhaps even greater: a loved child can remain in a family environment and hope can be maintained that a mentally handicapped human being can be trained for a more useful life which will give real meaning to his existence.

During the past year, the Department, in an effort to improve its services for mentally ill children, established specialized units for afflicted children below the age of 17 at each of our four State mental hospitals. In the last two years a total of 147 new staff positions have been authorized to partially fulfill the requirements of these facilities.

In its concern for the mentally ill and retarded and those otherwise handicapped, the State government is assisted in an important way by two special groups which correlate citizen and government interest and knowledge. These are the Governor's Interdepartmental Committee on Lifetime Disability and its Citizens' Advisory Council, and the Mental Health Planning Project. I want to commend the efforts of the citizens and State officials involved

and to express the hope that we can continue to enjoy the fruits of their generous labors.

A Special Emphasis

In an urbanized State such as New Jersey, the demands of welfare programs take on special emphasis. The needs in this area have gained increasing recognition at the Federal level; this has had its impact on State government.

Let me cite a specific example: for three years New Jersey has not implemented the new Federal law which would make children of unemployed fathers eligible for Aid to Dependent Children. These amendments were designed to strengthen family life by eliminating the apparent advantage to a family whose father had deserted over a family with an unemployed father in the home. The existing inequity is apparent. Furthermore, these changes would bring an additional \$6 million annually in Federal funds to New Jersey. Because the reduction in cost would benefit municipalities while counties would have to assume additional costs, the necessary legislation has faltered. Unless there is a change in legislative attitude, the solution to this difficulty would seem to lie in an increase in the present level of State aid for county welfare programs. Again, as in so many other vital areas, new state revenues would be a prerequisite.

We are looking in 1965 to bring to reality a number of important recommendations made in a survey by Federal authorities of the Division of Welfare at the request of the Department. The recommendations are designed to strengthen the organizational structure of the Division and they are being reviewed by the Board of Public Welfare and the State Board of Control, with a view toward making them effective at an early date.

New Rehabilitation Efforts

A major concern of the Department is, of course, in the field of correction. We must deal with the ever increasing pressure on institutional facilities resulting from a steady rise in commitments. To meet this problem, the Division of Correction has undertaken a number of new actions during 1964. The State's reformatories were brought together under a single Board of Managers and a

single administrator. We have begun construction of a new 900-bed institution at Yardville. This institution will serve as a center to receive and scientifically classify all male youthful offenders to the end that their detention shall be in the most appropriate institution from the standpoint of security and rehabilitation. Yardville will eliminate the overcrowding of the male reformatories and, when properly staffed, will provide the State with a unique opportunity to gain new knowledge in the successful training and treatment of the young offender.

An Achievement in Veterans' Care

This year we will witness the beginning of an historic expansion of New Jersey's veterans care. Through funds made available under the 1961 bond issue, the State undertook construction of 80 infirmary and 120 dormitory beds in the Menlo Park Soldiers' Home. These will become available in early 1965. Even more significant for 1965 will be the implementation of the Department of Institutions and Agencies' priority for 400 new geriatric beds at the Vineland and Menlo Park Soldiers' Homes. This has become a reality as a result of the passage of the 1964 bond issue and, when construction is completed, New Jersey will have more than 900 beds for the care of veterans. This will be more than double our present capacity and it is an achievement to which we can all look forward with pride.

Women's Opportunity—New Potential

It was my privilege during the past year to establish a Governor's Commission on the Status of Women. For the first time in the history of this State, there is an official group of representative citizens of varied backgrounds concerning itself specifically with the needs and opportunities of the women of New Jersey. The work of the Commission comports with the national goal to assure equal opportunity as well as the full use of the talents of all Americans. Among its activities, this Commission is reviewing the possibility of legislation to assure that women will have the opportunity and means whereby they may fulfill their goals. Any recommendations developed by the Commission concerning this important matter will be promptly presented to you.

Concerted Efforts for the Aged

The needs of our elderly citizens must always remain high on our list of social priorities and it is incumbent upon us to concern ourselves not only with the older people of today, but also the aged of tomorrow.

We have the solemn charge to provide the leadership for a concerted and continuing program to meet the challenge posed by the growing number of older citizens faced with such needs as income, housing, health, recreation, education and welfare.

Approximately 10 per cent, or 650,000, of our citizens are already 65 years of age or over. Our 1965 budget of \$104,000 for the Division of the Aging can be broken down to an average expenditure of 16 cents per person for those of age 65 and over. It does not take into account services needed for those preparing to retire.

Our goal should not be a roster of isolated programs but the enlargement of existing programs so that they may include older people for whom we have been heretofore unable to provide services such as housing, health and community planning.

The Division of the Aging has most recently focused its immediate attention on the problem of suitable housing. Our Conference on Local Planning for Housing for the Elderly last year at Rutgers University was attended by more than 300 people and climaxed three years of cooperative effort by local planners, builders, architects and the State agencies. Progress in this field is marked by the fact that an additional 9,578 units of public housing for the elderly have been completed or are under planning by municipal housing authorities. I am pleased to note that there has also been an increased development of private housing for the elderly.

In the area of traffic safety, the Division has sponsored Older Driver Seminars with the Division of Motor Vehicles. These have given the elderly an updated concept of safety on the highway, and the overall program achieved national recognition at the Symposium on Senior Drivers and Pedestrians at the University of Denver College of Law in Colorado last year.

While significant strides have been made in the interest of the elderly, it must be noted that inadequate appropriations for urgently needed personnel have severely limited activity on priority programs. At least one request per day for help, especially from communities throughout the State, regrettably must be turned down because of staff cuts due to fiscal shortages.

Last year I submitted legislation to improve the structural makeup of the Division of the Aging in the interest of better public service. The bill was not passed by this body. I once again recommend that it receive your endorsement when it is resubmitted for your consideration this year. It will certainly enable us to do the best with what we have for our senior citizens.

Youth, A Variety of Programs

Among the many current activities of our Youth Division is its work on the organization of Youth Guidance Councils to cooperate with juvenile and domestic relations courts in the municipalities. A conference sponsored by the Division at Rutgers last year has already shown results with the establishment of guidance councils in several communities.

I was privileged to sign the abused child legislation which was proposed and drafted by the Battered Child Committee of the Youth Division.

The Division has also established the Venereal Disease Committee which is at work on a pilot survey in the northern part of the State to determine the background of young people contracting these diseases.

The Division's Youth Fitness Committee is developing a project to encourage improved physical fitness programs in elementary schools.

I am sure that all of the people of New Jersey share a deep sense of appreciation for the work of a multitude of citizens with varying professional backgrounds who have lent their services to the activities of the Division with no rewards save the satisfaction of dedicated public service in the interest of our young people.

The Public Health

The State in the past several years has strengthened its efforts to protect the health of our citizens through improved and expanded public health programs. Some of the most dramatic work has been undertaken in the area of preventable diseases. Last year, the State Health Department, in conjunction with the medical societies and local groups, coordinated the greatest mass vaccination program in our history. As a result of this effort, more than 10 million doses of oral polio vaccine were administered to the State's population. The groups most susceptible to polio were effectively covered by the program and this has been reflected in the near elimination from the State of the disease of polio. During the past year only two cases were reported.

Less dramatic but equally significant efforts were carried on by the Department in other areas. The Crippled Children Program has approximately doubled during the past three years. In addition, a screening program for hearing and speech defects surveyed approximately 50,000 children. In the area concerning radiological health the Department has conducted more than 10,000 X-ray machine inspections since 1962 and has located more than 23,000 specific defects for which corrective instructions were issued. Continuing inspections are being made to insure compliance with the radiation protection code. Comparable reports could be made in regard to many other public health programs.

Notwithstanding this gratifying effort on behalf of our health officials, however, there remains the need for expanding and improving our health efforts. I am, therefore, recommending that the Legislature consider the adoption of three new basic programs necessary for the well-being of the people of New Jersey.

1. *State Aid to Local Health Services*

The basic health protection services which are provided by many municipalities of our State are admittedly inadequate. As a result, our citizens who live in or who visit these municipalities are continually subjected to unnecessary health hazards. In a small state such as New Jersey, it is to the immediate benefit of everyone to maintain health standards at the highest possible level. I, therefore, recommend that the Legislature give prompt attention

to a program of State aid for local health services which has been developed by the State Department of Health in conjunction with the Public Health Council and the Rutgers University Bureau of Government Research. Legislation will be introduced shortly to provide for three separate, but equally important, types of state health aid:

(a) Basic state aid for county health services would provide \$25,000 for each county and would require an annual State appropriation of \$525,000.

(b) State aid for local health services would be made available on the basis of local need and ability to pay. The Department estimates that when the entire State participates approximately \$3,350,000 in State appropriation would be required annually.

(c) State aid for emergency and special services would be made available for allotment by the Commissioner of Health for a limited period to cover emergency situations and in order to stimulate the development of health services. An annual State appropriation of \$500,000 is suggested in the legislation.

2. *Public Health Sanitary Sewerage Facilities Planning Act*

It has been the policy of the State Department of Health, in line with the report of the State Advisory Committee on Sewage Disposal, to encourage multi-municipal regional and valley sewerage projects in contrast to the old program of providing sewage disposal facilities on an individual municipal basis. The experience of the State Department of Health in recent years indicates that, even though relatively small sums of money are involved, the lack of appropriations to provide for feasibility studies in order to lay the groundwork for regional sewerage projects is a major hurdle. The money involved usually amounts to only a few thousand dollars per municipal entity, but usually such funds are not provided for in municipal budgets because most municipalities do not anticipate or agree upon the necessity for making such an inter-municipal study. The State Department of Health is convinced that, if funds could be made available on a State grant basis for feasibility studies, a great stimulant would be provided toward

the planning, design and construction of much needed regional sewerage facilities.

The proposed legislation would authorize grants for the preparation of inter-municipal feasibility reports and it would provide further for loans from the State to municipal entities for planning and engineering of such projects. It is suggested that the moneys for feasibility studies would be outright grants from the State. The moneys for planning and engineering would be loans payable at the time the project was placed under construction or, if construction was not initiated within a three-year period, the planning and engineering loans would be repaid to the State at a low interest rate.

The Department believes the grant section of such a program could become operative with an annual appropriation of \$500,000. The loan program would eventually require the creation of a revolving fund perhaps as large as \$15 million. It could be activated, however, for a substantially lesser amount.

Both of these programs have been designated by the Department as highest priority needs if the public health of this State is to be maintained in the face of terrific growth pressures. As can be seen from the cost figures I have cited, these programs will require the appropriation of considerable sums of money. Should you agree with me as to the need for these programs, it will be necessary for us, cooperatively, to work out the required finances.

3. *Air Pollution Control*

Although I have noted the extent to which the Department of Health has increased its activities in many of the critical areas under its jurisdiction, a particularly vigorous enforcement effort has been carried on with regard to air pollution control. Since July 1962, more than 6,000 initial and follow-up air pollution investigations have been conducted. Two thousand enforcement actions were undertaken during this period.

Last year an additional State appropriation permitted the Department to qualify for one of the largest Federal grants made to any State for air pollution control activities. As a result of the additional State and Federal money, the Department was able to

increase its staff in this work from 21 to 51 persons. This has provided the means for a strengthened program. I cannot stress too strongly, therefore, how important it is to the success of our efforts for the State to continue to support financially our air pollution control program.

Again, the improvements of the past cannot justify a relaxation. The fight against air pollution demands new efforts and new authorizations. Unlike the previous programs I have discussed in the area of public health, the proposals for an expanded air pollution control program concerning motor vehicles will not require the immediate expenditure of large sums of money. If the Legislature is willing to act, this program can be adopted forthwith.

As you know, the New Jersey Air Pollution Control Commission has been conducting an extensive study of this problem for more than a year. Its report, issued last September, points out the immediate need to vest authority in the State to require the use of air pollution control devices as effective equipment is developed.

Throughout this message, I discuss the responsibilities imposed upon us by the growth of the State. In dealing with the protection of our most vital natural asset—the air we breathe—these responsibilities must be recognized and exercised, diligently and with dispatch. The recommendations of the Air Pollution Control Commission have been developed into a four-point program. Enactment of this program not only would provide the appropriate State agencies with the necessary authority to act but also would recognize that the science of air pollution control is still developing and that it may be some time before truly effective devices are produced to control certain air pollution problems. I, therefore, urge the Legislature to give every consideration to legislation to accomplish the following:

(a) Authorize the Air Pollution Control Commission to adopt standards of emission of contaminants from motor vehicles; standards of quality of motor vehicle fuels; and standards for motor vehicle air pollution control systems; and authorize the Department of Health to review and approve such systems.

(b) Prohibit the registration of motor vehicles in this State unless they are designed, modified or equipped for the control of air pollution in conformity with standards adopted but providing that such a prohibition shall apply only to motor vehicles manufactured after the adoption of such standards.

(c) Enforce, through the motor vehicle inspection program, any requirements adopted that motor vehicles control the emission of contaminants in accordance with adopted standards.

(d) Make it a disorderly persons' offense (1) to operate motor vehicles emitting smoke in excess of standards adopted by the Commission; and (2) to sell motor vehicle fuel which fails to meet quality standards promulgated by the Commission.

Another Need

In another health area, there is a need for action. Many of our counties and municipalities are confronted with increasing difficulties in finding adequate land areas for the disposal of garbage and other solid waste matter.

It has been suggested that a commission be established to study the availability of land sites and to consider various alternative methods for the elimination of this waste. I recommend the creation of such a commission.

Protection of the Consumer

During the past fiscal year, the Consumers Fraud Bureau processed nearly 5,000 complaints and obtained refunds for consumers totalling nearly \$400,000. While this worthwhile accomplishment attests to the effectiveness of our relatively new consumer protection program, unfortunately it is also symptomatic of the spread of sharp dealing by marginal operators.

New Jersey is in the forefront of those states which have adopted a progressive and enlightened approach to the age-old problems of consumer protection. Through a comprehensive system of licensing and regulation, we have branded unethical conduct also as unlawful conduct wherever abuses have appeared, and through a network of effective State agencies, we have enforced these laws with vigor and vigilance. The Bureau of

Securities, another such agency, has put out of business most, if not all, of the "boiler shop" operations in this State and thereby has saved our citizens from the dangers inherent in illusory financial investments. Recent experience, however, has indicated that even more legislation in the field of consumer protection may soon be needed.

New Jersey does not, but should, have a law to require hotels, motels and other places of public accommodation to post their rental rates in each room. We should have a uniform and centralized system for the mandatory licensing and registration of door-to-door solicitors and peddlers. Our laws should require that used, reconditioned and rebuilt appliances, including radio and television tubes, be clearly labeled as such to eliminate deceptive guarantees and fictitious price reductions. There may be a need for regulatory legislation to protect prospective buyers of new homes from the consequences of contractors' defaults in performance. A model state securities registration act is now under review.

An Immediate Target

Legislation in this area soon will be offered for your consideration. As to one particular target for corrective action, however, I urge your serious and immediate attention.

At my request, during this past year, the New Jersey Real Estate Commission has conducted an extensive investigation in the area of secondary financing commonly referred to as the "second mortgage" field. This investigation was occasioned by numerous and continuing complaints from individuals indicating the existence of a pattern of unethical and possibly unlawful conduct on the part of lenders. I am satisfied from my review of the Commission's report that there is a definite need for strong remedial legislation.

The investigation has revealed the existence of abuses with respect to certain aspects of secondary financing. There are those—and they should be distinguished from the established financial community—who engage in misleading advertising calculated to induce potential borrowers to consolidate their debts with the expectation that they will ease their financial plight. In a great

many instances, the expectation of borrowers are defeated and their financial predicaments made worse. In most cases, hidden charges, unspecified fees and unfair interest rates result in a final indebtedness grossly in excess of the principal amount of the borrowing.

There is need, in many instances, for secondary credit and financing. Many people, despite existing primary obligations involving the mortgage payments on their homes and installments on automobiles and appliances, have continuing financial needs not the least of which may involve the cost of the college education of their children or the medical bills of their parents. Often, they can be met only by obtaining further credit.

In view of these circumstances, I have directed the Department of Banking and Insurance to work with the Attorney General and my legal staff toward the preparation of a new legislative program which will bring proper regulation and supervision to the field of "second mortgage" financing.

There is already established within the Department of Banking and Insurance a Division of Consumer Credit which now administers such important laws in this area as the Retail Installment Sales Act, the Home Repair Financing Act and the Small Loan Law. Through effective enforcement of these laws, this agency has obtained countless thousands of dollars worth of goods and services for consumers, and has collected thousands of dollars in penalties and fines from violators. The legislative program now contemplated will be a further step in the direction of assuring proper and safe practices in an area of financing which vitally affects the public.

The People's Safety—Drinking and Driving

The relationship between consumption of alcohol and highway fatalities is now well known. A continuing program conducted by the Motor Vehicle Division and the Traffic Safety Council has shown that deaths of 56 per cent of drivers killed on the New Jersey highways each year involve an alcohol factor.

For the past two years, I have urged the Legislature to enact measures providing that the application for a driver's license

implies the applicant's consent to submit to an alcohol determination test, when arrested on suspicion of drunkenness.

I feel that this legislation is imperative to the most effective enforcement of our motor vehicle laws. It could become a major factor in the reduction of the tragic death toll on our highways.

It is important that in considering this legislation you take equal care to protect the rights of the accused and the safety of those who use our highways. The measures I request take careful note of the constitutional rights of the accused as interpreted by the United States Supreme Court.

Renewed Efforts

We persist in our efforts to persuade the State of New York to conform to a national standard by raising its minimum drinking age to 21. Rebuffed time and again, we have recently renewed our appeal to the Governor and the Legislature of our sister state in the name of those young people who we know must die on the highways because of the tragically unique law of New York.

I have heard many arguments, some of them inspired by dollars and cents considerations, that there is no causal connection between teenage drinking in New York and the carnage on our highways. In answer to these, I offer the unhappy statistics of death and serious injury among our youth who find easy access to alcoholic beverages across our borders.

As you know, I have named Ned J. Parsekian, former Director of Motor Vehicles, as my special consultant on the teenage drinking problem. It was Mr. Parsekian who prepared the excellent report which we presented to the New York State Joint Legislative Committee to study the Alcoholic Beverage Control Law. As my consultant, he will continue to put to use his unquestioned expertise and will serve as an effective representative in our dealings with the State of New York.

Let me make it clear that we shall never abandon what we believe is a just cause. In the coming months we shall enlist the support of civic, governmental and religious leaders in New Jersey as well as New York in our endeavor to bring to bear every moral force

in a struggle we must continue if we are to save the lives—even one life—of our young people.

Law Enforcement

A paramount consideration of government is the protection of the persons and property of all who live within the social compact. Effective law enforcement is not an ordinary governmental service, but an absolute obligation owing from the State to its citizens. It is a matter of record that New Jersey in recent years has discharged that obligation faithfully and well.

A network of liaison and communication has been established among the Attorney General, the county prosecutors, the local police departments and the law enforcement agencies of the Federal government. The resulting close contact and coordination of activities have left no room for regional rivalries and duplication of effort. In New Jersey law enforcement is becoming, more and more, a concerted quest for the detection and elimination of unlawful activity wherever it may be found. During the past year, the Criminal Investigation Section of the Division of Law has conducted numerous investigations and criminal prosecutions in conjunction with local officials, and has amassed much valuable information concerning gambling, narcotics, vice and persons with established criminal reputations. County Prosecutors and municipal police chiefs have requested and received enforcement assistance from State officials, and in turn have cooperated to the hilt with the Attorney General's office.

Needed Legislation

But it would be no favor to our citizens to dwell further upon the good quality of our present law enforcement apparatus. This is an area in which we cannot afford to stand still. With increasing urbanization, there are new problems which require greater sophistication in the field of law enforcement. One remedy lies in alleviating the manpower problems of our State and local police forces. Another rests in the adoption of a mandatory police training program. There are needs for a uniform system of crime reporting, and for legislation to secure vital testimony in criminal proceedings through a grant of witness immunity.

I have recommended all of these measures to you before, and it goes without saying that the need for their adoption persists from year to year with increasing urgency. I hope that the new session at last will produce a response to this need, for the unexplained inaction of the past does not present a record of concern for the public good.

Last year I advised you that the Attorney General was preparing legislation to update our existing laws regulating the sale and possession of firearms. Such legislation will soon be introduced for your consideration. The proposed bill is intended to embody a fair and balanced approach to this subject. Whatever minimum restrictions upon individual convenience might be involved, they are more than warranted by the need to provide maximum protection to the general public.

Narcotics—A New Approach

Recently I approved the basic proposal of the Narcotic Drug Study Commission which represents a pioneer adventure in the area of narcotic addiction control. The new program is directed toward the prevention and elimination of drug addiction through treatment and rehabilitation.

The accomplishments of this Commission demonstrate, in the most vivid sense, the constructive results which bipartisan effort can achieve even in a controversial area. When I first proposed this study in 1962, I was supported by Senate President Sandman and others of both parties, and this agreement laid the basis for the results which we have now acclaimed, with all the new hope that it means for the future. The legislation so recommended fulfills the mission I expressed in December, 1962, when I asked the Commission to determine a "new approach to the overall narcotics problem * * *" and to "* * * seriously explore the benefits that can come from a comprehensive integrated program of treatment and prevention."

The Commission is continuing its study and we should all stand prepared to give prompt attention to the findings and recommendations they may submit.

The Department of Institutions and Agencies is now preparing to implement the new legislation. I have requested the Commissioner of the Department to prepare for submission to you a full report concerning the establishment of this program.

New Cultural Horizons

New Jersey lies between two of the world's great metropolitan centers of art and culture, New York City and Philadelphia, described 200 years ago as "The American Athens." This geographical fact has influenced greatly New Jersey's cultural development just as it has determined her development in other fields.

The proximity of these two great centers of art and learning provide for New Jersey citizens the opportunity to enjoy the theater, music of all types, great museums and libraries and all forms of popular entertainment with a variety and scope unequaled anywhere in the country and few places in the world.

The strong influence of and easy access to these great cities has in the past limited the development in New Jersey of more than a few great public institutions devoted to the arts. This lack has not, however, left New Jersey barren of culture or unresponsive to the arts. The converse is true. New Jersey citizens have long evidenced their involvement in the arts. Some of the nation's and the world's greatest poets, artists, writers, teachers and musicians have been Jersey men.

And in New Jersey today there are tens of thousands of citizens engaged in the practice or active appreciation of one or more of the arts. It could be a member of a Garden Club arranging a floral display; an amateur actor on a suburban stage; a professional composing or interpreting music; or a stockbroker participating in a community orchestra. In our largest city, Newark, business and community leaders are working closely with the city administration to establish a cultural center in the former Mosque Theatre. And so on through an almost endless list.

As we enter our fourth century, however, New Jersey is preparing to assume a more active role for itself in the arts. We will seek to prove in the years ahead that a great industrial state can

provide for its people the quality of cultural life as well as quantities of goods and services.

As a state often described as a single city-suburban complex, we will seek to show the nation that the elements of the aesthetic life can be made available not only to the wealthy patron of the arts but to those of modest means. We will attempt to demonstrate that the exaltation of art can inspire all people to achieve better than they had hoped for themselves, and thus recognize the hunger of the spirit as a part of the whole man.

We will open next month a new State Library, the first of the buildings in our new Cultural Center. This new structure will enable the State Library to exhibit properly the intellectual and cultural heritage of New Jersey. It will also provide adequate quarters for collections and services of great value to the three branches of our State government.

Within a few months, our new State Museum will open its doors. Its exhibitions will tell our citizens, especially our school children, the story of man's physical world and civilization. Our new planetarium will be one of the most modern in the country. It will unfold the new worlds of space and permit us to appreciate more graphically the scope and nature of the universe.

The State Museum will also undertake a program of support and acquisition in the fine arts, encouraging private donors to give or lend to its collection.

Our Art Commission created by this Legislature and including four of its members, is now conducting a definitive inventory of the arts in New Jersey. The Commission is ably assisted by a large and distinguished group of experts in all cultural fields, many of whom are men and women of national and international reputation. The Commission has already accumulated impressive evidence of the wealth and vitality of cultural activities now existent throughout New Jersey. The Commission's report, due at the end of this year, will help guide state action in this field. The modest financial needs of this Commission should be provided.

In his State of the Union Message last week, President Johnson outlined a new nationwide effort to "landscape our highways and

provide places of relaxation and recreation wherever our roads run."

New Jersey has always made an effort to keep our highways aesthetically pleasing as well as functionally adequate. The landscaping of the Garden State Parkway is a good example.

A Major Step

I am pleased to announce today that we are to take a major step beyond this goal. I speak of the establishment of a Garden State Arts Center at Telegraph Hill on the Garden State Parkway in Monmouth County.

This center will include an amphitheater for concerts and a drama playhouse to be designed by an internationally famous architect. This cultural center ultimately will include an historical mall, botanical gardens and nature trails. All these facilities will be easily accessible to our mobile population, centrally located in our State near our urban places.

I will release further details on this new cultural center within a few weeks, but in the meanwhile it is fair to say that the new center will rival any similar facility in this country, and will be a place where natural beauty and art will combine to offer enjoyment a few short minutes from our cities.

Matthew Arnold once called culture "the acquainting of ourselves with the best that has been known and said in the world, and thus with the history of the human spirit." It is with this hope that I dedicate New Jersey to the pursuit of excellence in all fields. It is in this spirit that New Jersey must now seek to bring culture within the reach and into the lives of all our people.

OUR ENVIRONMENT

THE DEVELOPMENT OF NATURAL ASSETS

Our forebears in a younger America were blessed with an abundance—even an overabundance—of natural resources. Land and the riches beneath it, the sea and its wealth, pure streams that laced the landscape, tall forests that spanned the horizon, all were

theirs in seemingly inexhaustible supply. Today, we enjoy an abundance of another sort in the products of a technological civilization. But this is not an unmixed blessing, particularly in our urbanized New Jersey.

The resources that once appeared limitless now must be carefully treasured. Conscience and wisdom alike must dictate the public investment necessary to develop to the full our water supplies, to preserve our rapidly disappearing fields and woods and lakes, to develop these green areas for the enjoyment of our urban multitudes and to reclaim for community development the stretches of meadowland that were bypassed in the earlier growth of our cities and towns.

We have turned our strength in this direction, particularly in the last decade. For New Jersey, high among its assets, can list a public sense of prudence. Let us look now at some of the results of this foresight.

Water—A Special Concern

Water supply has been a subject of special concern to this State. I am pleased to report to you some of the noteworthy progress that has been made in the past year to assure our future water resources.

The Spruce Run-Round Valley Reservoir system was originally designed to produce an expected dependable yield of 130 million gallons per day. At the termination of hearings before the Water Policy and Supply Council—and with ingenuity which deserves the compliments of every citizen of the State—our Conservation Department devised a distribution plan which will increase this potential output to 200 million gallons per day. The additional 70 million gallons which will result from the use of the Raritan River has the effect of providing another reservoir at no added cost to the State. The meaning of this vast water supply to the northeast metropolitan area of our State is obvious.

We anticipate that the Tocks Island Reservoir, to be developed by the Delaware River Basin Commission, can provide 150 million gallons per day as an additional source of water to Round Valley. Beyond this, New Jersey is seeking 150 million gallons per day

to be taken from the River at Frenchtown for distribution out of Round Valley. Thus Round Valley may justly be described as the “hub of the waterwheel of the State.” The initial storage of 55 billion gallons can be increased economically to 75 billion gallons for storage of pumped diversions of water from the Delaware River and other sources to increase the availability of stored water on a safe dependable yield basis to 300 million gallons daily or more.

In another significant development last year, a total of 2,000 of the 6,000 acres required for the Hackettstown Reservoir on the upper Musconetcong River was purchased under our open space program and our Conservation Department is actively negotiating to acquire the remainder. This was done in compliance with the comprehensive plan approved by the State and the Delaware River Basin Commission for optimum development of the water and related natural resources of the interstate Delaware River Basin. These lands have high immediate recreation potential and are necessary to eventual development of the water resources of the Musconetcong River for the future needs of that valley and adjacent areas. By maximum utilization of this site, a dependable gross supply of 58 million gallons daily can be developed for use in the valley.

Setting Aside for the Future

With our State's continued growth, we find ourselves competing with other land uses for reservoir sites. For this reason I shall request from the Legislature in 1965 authorization to use funds dedicated in 1958 for site acquisition for the purchase of a major reservoir site on the Six Mile Run in the Millstone Valley. This reservoir will provide the storage necessary for maximum utilization of the 100 million gallon daily diversion from the Delaware River Basin authorized for our use by the 1954 United States Supreme Court decision. Through this storage, the year-round usable water from the Delaware and Raritan Canal can be increased by 28 million gallons daily. The total net dependable supply, including that developed by the natural runoff on Six Mile Run, will be 38 million gallons daily. We have been working closely with local and county officials in Franklin Township and

Somerset County to develop this multi-purpose water and recreational facility which will produce great benefits for the entire area.

In parallel developments, preliminary engineering studies and land-value appraisals have been completed for a third reservoir system on the Manasquan River. This system is designed to meet the expanding needs of Monmouth and Ocean Counties. Also, the site of the lower intake reservoir adjacent to Allaire State Park is about to be acquired.

In addition to our State's reservoir program as such, three new reservoir projects approved by the State Council of Water Policy and Supply have been developed in recent years by local water supply interests to meet the demands of their respective service areas. The latest of these to be readied for service is the Point View Reservoir.

Progress has also been made in the state-wide investigation of ground water resources which is of special interest to the coastal plain areas of South Jersey. In this ground water survey the United States Department of the Interior is a full participant with New Jersey—another vivid example of the federal-state partnership which means so much to the people of New Jersey.

A Continuing Danger

While New Jersey is blessed with rich ground water resources in the coastal plain area, such fresh resources are subject to contamination by salt water as a result of excessive pumping.

Three studies of salt water intrusion have been completed and released. One of these has revealed the need for immediate action in the Sayreville area. Preliminary engineering studies are near completion. At the appropriate time I shall request authorization by the Legislature to acquire the site and begin construction of a tidal dam and recharge pond on the South River. Early action on this project is essential to protect the Old Bridge formation from the salt water encroachment which destroyed much of the Farrington Sands water bearing strata more than three decades ago. This development will augment the natural yield of the Old Bridge Sands water bearing strata by an estimated 30 million gallons daily by recharge from the South River.

As has been true in other fields, New Jersey achieved another first when, by virtue of the Private Surface Water Diversion Act of 1963, we established 100 per cent regulatory right over our water resources. This Act has insured that these vital assets will be wisely and effectively utilized.

The comprehensive program of the States of New Jersey, New York, Pennsylvania and Delaware and the Federal government to harness and conserve the waters of the Delaware River Basin has evidenced sustained progress by the Delaware River Basin Commission during the past year. Water supply policies adopted and budgetary actions recommended would insure the timely progress of construction of major multi-purpose dams and reservoirs within the Basin, including Tocks Island. This has protected New Jersey's interests on a truly state-wide basis. Tocks Island and the other Basin projects will guarantee the maintenance of adequate flow in the Delaware River and will protect South Jersey's water supply for generations to come.

Our State program of developing water resources is one of the most enlightened in the Nation. As Governor of New Jersey I have confidence that we have secured an adequate water supply for this State well into the 21st Century. We must, however, never forget our obligation to future generations to preserve our existing water resources and to continue the battle against the pollution of our streams and waterways. More and more we must use these streams as sources of supply and conduits to distribute water.

The bright hopes mentioned by our President for the purity of America's water supply we hope will come to fruition in New Jersey and be aided by the establishment here of a Federal water pollution laboratory for the Middle Atlantic States.

The Vision of Green Acres

The past year was one of continued accomplishment in our State's Green Acres Open Space Land Conservation Program. During 1964, the State doubled the acreage acquired in the first two years of the program, bringing the total to 30,000 acres of land purchased or under contract for purchase. Last year, the number and amounts of grants paid to counties and municipalities

under the Green Acres Matching Assistance Program was more than doubled.

Green Acres has already provided the people of New Jersey with many significant new park and other outdoor recreation areas. Lake Wawayanda, Greenwood Lake shore, Palisades-Alpine area, Corsons Inlet Beach, and the Collier's Mills addition among a number of others have been added to our State's impressive inventory of public parks and forests.

To help preserve the natural beauty of the Palisades and hand down to succeeding generations some knowledge of the historical fullness of the events which occurred there during the War for our Independence, we have moved promptly to acquire open space there which otherwise could be destroyed by commercial encroachment.

In 1964, Green Acres added to Shepard Lake tract to Ringwood State Park, the area at the lighthouse at Cape May Point, the Double Trouble tract, a major portion of Monmouth Battleground, and many conservation acres of wetland along the Atlantic and Delaware Bay coast.

Scheduled to be purchased in the coming months are such significant areas as Liberty Park, overlooking not only the Statue of Liberty but the recently recommended national historical site on Ellis Island in New York Harbor, Great and Little Piece Meadows, Troy Meadows, Hackettstown Reservoir and recreation site, Cedar Island, Higbee Beach, and many other natural areas.

New Jersey—a Model

In fulfilling the mandate of the people, our State has demonstrated the leadership and foresight which has made our Green Acres Program a model for similar open space land conservation programs in the Nation. And the people are sharing in this leadership, in the form of the consultation and assistance the Department of Conservation and Economic Development is receiving from the Green Acres Citizens Advisory Committee.

Our pioneering efforts in this vital field have resulted in extra benefits under the provisions of the Federal Open Space Assistance

Program of the HHFA. New Jersey presently has pending applications totaling nearly \$7 million which will be used to make further State land acquisitions.

The total commitments of the Green Acres Program now include 122 projects involving approximately 5,000 parcels comprising 175,000 acres. Under the matching program, in addition to the grants paid, the State has given at least preliminary approval to 194 local applications. Nine of our counties and 83 municipalities have made one or more applications in this program.

It is now imperative that we act forthwith to implement and prepare our lands for early and multi-purpose use. The Federal government has recognized the outdoor recreation needs of our citizens in the Land and Water Conservation Fund Act of 1964. The Department of Conservation and Economic Development is actively pursuing the State's participation in this federal-state matching assistance fund for the development of these land areas.

The entrance, admission and recreation use fees that will accrue to the State as soon as these new areas can be opened to the public will help sustain and maintain these properties; but meanwhile, it is incumbent upon all of us to recognize and support the capital improvements and maintenance programming that will be required to continue New Jersey's progress in recreation.

Enjoyment of the Land

In our continuing efforts to provide parks and recreational facilities for the people of New Jersey, I am happy to list the following among our accomplishments during 1964:

1. Completion of more than 750 new campsites throughout the State to more than triple the number available.
2. Construction of a new bathhouse and 800-car parking lot at Sandy Hook State Park.
3. Completion of a new general utility building at Island Beach State Park.
4. Completion of a new Batsto Recreation-Reception Center Building and formal opening of the Revolutionary War Iron Center.

5. Completion of a new day use area with expanded picnic facilities and new bathing area at Stokes State Forest to accommodate 2,000 persons.
6. The acquisition of the new 541-acre Shepard Lake addition to Ringwood State Park under the Green Acres Program, and the opening of this Park to the public.
7. The opening of Wawayanda State Park, consisting of more than 4,000 acres for a variety of uses, including boating, hiking and fishing.
8. The addition of approximately 10,000 acres of land for development as hunting and fishing areas with suitable facilities.
9. Installation of ticket-dispensing machines at major park areas to speed up the flow of traffic and save operating costs.
10. As a result of thorough research, 376 historic roadside markers were placed throughout the State for the further enrichment of our citizens' understanding of its magnificent heritage.

Constantly seeking new ways to protect the State's existing resources, we have established a Conservation Law Enforcement Board to direct the overall enforcement of the conservation laws. This Board provides for maximum utilization of men and equipment, including the use of radar, helicopters, mobile and marine patrols on a coordinated basis. One significant result of its activities has been a marked decrease in the littering of our coast. This is an important factor in the protection of our seashore and our resort industry.

Strict enforcement of New Jersey's boating laws by paid marine patrolmen resulted in the safest boating season in our history last year. Despite the record number of 200,000 boats on New Jersey waters, the number of fatalities in 1964 dropped to 16 as compared with 32 in 1963. And we have fostered the continuing growth of recreational boating in another significant way. This administration encouraged and has signed into law a provision removing the threat of local property taxation from pleasure boats. The Legislature has indicated its intention to substitute a

registration system, this yield of which would be used for the improvements of waterways.

Urban Areas—An Opportunity for Action

New Jersey has set a national standard in the conservation and preservation of natural resources with our Green Acres program of open space acquisition, development of State parks and forests, and a far-reaching water resources development program. But it is equally essential and the opportunity is again present, for our State to seek leadership in the vital field of developing and conserving our urban resources.

Department of Community Affairs

The need for a Department of Community Affairs becomes more urgent almost daily. President Johnson has spoken persuasively of the need for a similar agency on the federal level. And we, the most urban state in the nation, with 85 per cent of our citizens in urban areas, can no longer ignore the obvious need for the new department at the State level. It is needed to administer the many programs and bring together for better service the various agencies whose major responsibilities are directed toward serving our local communities.

I advanced the concept of this new Department in my campaign for the governorship in 1961. Early in this administration we began a careful effort to implement the idea. A painstaking study developed specific and well-documented recommendations. Last year, we introduced legislation carrying out the report of this study. The plan has won commendation from numerous groups concerned with the administration of local government. It has been discussed in a number of significant public forums. The Legislature has had extensive opportunity for review of the proposals.

The cost of this Department would be modest indeed when compared with the efficiency and service it could bring to local government and to State agencies serving the counties and municipalities.

To date, the Legislature has ignored this proposal. I call on you to take action in 1965 for a Department of Community Affairs on

behalf of improved government on the level at which it is closest to the people.

Middle-Income Housing

The present deficit in New Jersey's middle-income housing supply is estimated at 100,000 units and growing. It is obvious that this is the area of need that private enterprise has not been able to fill, and, therefore the State must take the initiative.

The middle-income housing program I proposed last year, using low interest, long-term State financing, would in effect permit private developers to construct housing which our middle-income families can afford. This program would aid the construction industry and set an example of cooperative effort by government and private industry to meet a serious need in our society. It would apply to all municipalities in the State and not be restricted only to first class cities. I again commend this matter to your attention.

Housing for the Elderly

In the field of housing for the elderly, our State can indeed be proud of its accomplishment. We have more low-rent public housing for the elderly than any other state. A good beginning has been made in the middle-income housing for the elderly program administered by the Community Facilities Administration. Under this program, which provides low interest, long-term loans to private, non-profit corporations, consumer cooperatives and certain public agencies, three projects have been approved and several more are in planning.

But the need for this type of housing will continue to increase as our population grows older and medical progress prolongs life spans. We must be alert to our future needs and be prepared to provide this housing. I am therefore requesting the Bureau of Housing to analyze our future needs in this vital field and prepare a program of State participation to meet them.

Urban Renewal

The Federal urban renewal program offers tremendous potential in revitalizing our cities, preventing and clearing blight, and cor-

recting the effects of many years without planning. Close to fifty New Jersey municipalities have initiated 105 urban renewal projects, representing a gross investment of \$370 million.

Under present federal legislation, one-third of the total cost must be borne by our local communities and two-thirds by the Federal government. In many communities, the one-third requirement poses a real deterrent and has resulted in deferment of many projects.

If we are to achieve the real potential of urban renewal in our State and develop the improved environment which will provide benefits for all aspects of our society—residential, commercial and industrial—the State must be prepared to invest in the future and render direct financial assistance to our local municipalities. Here again, an increased level of State revenues is vital. With new resources, the local financial burden could be eased, permitting acceleration of the program to rebuild our communities. The increased rates resulting from urban renewal, the saving in municipal services, and the strengthening of our local economic opportunities would make State participation a unique investment for the future of all our citizens.

The Search for Economic Strength

In the past three years, and particularly in 1964, our State and Nation have enjoyed one of the greatest periods of economic prosperity and expansion in our history. It can truly be said that we now are in the second industrial revolution. The birth of this great economic era has been fostered by our extraordinary scientific and technological achievements. New Jersey is among the leading states in research and development, international commerce and industrial investment for new plants and equipment—each a basic index of the new industrial era. As the most urban State in the nation and with our exploding population growth, with intensive automation in manufacturing, and with the essential need for new jobs, we must be quick to recognize the obsolescence of plant equipment and techniques, particularly in our urban centers; we must meet the challenge of competition from other

states, and we must prepare the rapid and constant change of emphasis in defense-oriented industries and in almost every other field of industrial endeavor.

While we have achieved, over the years, considerable success within the present framework of our economic development structure, we should carefully scrutinize the structure itself to determine what changes are necessary to ensure that our State continues to remain the leader in these fields.

I believe we have demonstrated during the past year the ability to move in a decisive and positive manner. Among our achievements has been the establishment of an International Commerce Section in the Department of Conservation and Economic Development, a move vigorously supported by leading manufacturers. We have opened the first out-of-state commerce and promotional office at Rockefeller Center. We distribute at this center material and information on New Jersey's tourist and resort centers, industrial potential and commercial opportunities.

An Exacting Science

Industrial development is rapidly becoming an exacting science. To meet the ever-mounting competition, many state development agencies are analyzing in detail the components of their respective economies to determine their strengths and weaknesses. Industries today do not capriciously or arbitrarily locate their new facilities. Decisions of the magnitude that these moves entail are made only after months and, in many cases, years of research and analysis of all factors which could conceivably affect the companies. And these state industrial development agencies are being staffed and manned by personnel who can communicate convincingly and knowledgeably on these topics; and they are prepared to answer questions, often highly technical and complex, which industries need to make their decisions.

We must recognize that New Jersey's prominence in our nation's economic structure cannot be maintained, in the face of the present fierce competition for new industry and new job opportunities, without decisive action.

To meet this challenge I recommend the establishment of a full Division of Economic Development with broadly expanded responsibilities to replace the present Bureau of Commerce.

I further recommend the formation within this Division of a broadly representative New Jersey State Economic Development Council to aid and promote sound industrial development and expansion as part of this major reorganization of the State's economic effort. The Council would advise the Commissioner and the Division on policy relating to all phases of the State's development program, and would serve as liaison with all phases of private business endeavor within New Jersey.

Broad Representation

The Council would be composed of representatives of the top echelon of industry, labor, banking and finance, commerce, utilities and the professions. New Jersey would draw upon their expertise, experience and knowledge in their respective fields to promote a complete community of endeavor for the future economic well being of the State.

Within the Division a new convention and tourist bureau would be established to aid and assist New Jersey's largest single industry—the \$2 billion-a-year resort and tourist trade which comprises the economic base for over one hundred New Jersey municipalities. Its function would afford effective coordination with the resort organizations to formulate publicity campaigns and convention and tourist attraction programs.

New Jersey must continue to advance decisively in the field of international commerce, finding new markets for New Jersey products and attracting overseas investments to our State. This would be another important operation of the new Division.

A prime function of the Division would encompass all phases of the State's industrial and commercial development. It would have major responsibility for the direct solicitation of firms and would assist prospective industries in finding suitable locations within the State. Experienced technical representatives would be assigned to work within specific industrial specialties such as research and

development, chemicals, pharmaceuticals, electronics, and the many others that contribute to our total economic structure. Teams of specialists made up of industrial and labor representatives of the industry involved as well as State personnel, would act as economic task forces, bringing to each industrial mission the full economic resources of the State—public and private.

Another Approach

And I propose that we broaden those resources. The traditional approach of this and other states to industrial development has been in the area of advertising-related promotion. While I am convinced that we must continue to make known New Jersey's manifest advantages through these means, the sophisticated nature of today's competition for industry demands more.

I propose, therefore, that our State program be reoriented to encourage industries to find out the facts about New Jersey on an economically scientific basis. In this first year, I recommend that a special fund of \$200,000 be established for a program in which the State would agree to pay up to 50 per cent of the cost of approved surveys which would explore the feasibility of contemplated private investment in New Jersey. The State, of course, would have to be satisfied that:

1. The proposed private investment would contribute to New Jersey's economy and to the creation of jobs here; and
2. There would have to be reasonable prospect that the survey would result in an investment.

The survey would normally explore and analyze the technical economic feasibility of proposed investments. This would include analysis of the potential market, plant location, raw material availability, zoning requirements, topographic characteristics, labor supply, profitability and other financial considerations.

If the prospective investor proceeds with the project following the survey and his undertaking is successful, he would be expected to repay to the State those funds which have been advanced to him. The investor would retain exclusive rights to the survey. But if

the prospective investor does not undertake the investment under study, the survey would then become the property of the State government for use in other industrial development efforts.

I think you will agree that industries which take this business-like look at New Jersey will find our State attractive and will invest here. I believe this approach, which stresses a hard look where it counts, will represent a meaningful broadening of the promotional-type programs we are now conducting. Furthermore, the funds which we shall continue to appropriate for industrial promotion would be used to disseminate information on this new industrial survey program.

A Statistical Reservoir

This intensified effort to win new industry would depend, in great part, on a full reservoir of economic data, especially statistical information. This material should be readily available to the industrial service information center that would be part of the new Division of Economic Development. Here would be a dramatic use for electronic data processing equipment to be employed by the State government on an interdepartmental basis. I discuss that program in fuller detail elsewhere in this message.

We are challenged today to provide a livelihood for new millions of New Jerseyans in coming decades. This requires an administrative structure that can meet and surpass our competition. I believe that the economic development program that I have proposed for your consideration will maintain and enhance New Jersey's leadership in this basic responsibility of government.

Labor, A Changing Demand

Industry in New Jersey is strongly oriented toward research and the technical areas of manufacturing. Our county colleges promise to play an increasingly important role in meeting the need of numbers of skilled technicians. We must insure that the development of these institutions meets the particular requirements of our industry and the economy as a whole.

I would hope that labor and business will take an active interest in the development and direction of the colleges and their vital role in strengthening New Jersey manpower resources.

The Department of Labor and Industry will continue to work closely with New Jersey business and industry to obtain advanced notice of impending job displacements as insights into longer range manpower develops.

Defense Department policies are having a profound effect on employment patterns in defense-oriented industries and areas surrounding military installations. We will take every action to minimize the disruption of our labor force and the impact of these changes on our local economies.

I have repeatedly fought not only to retain existing defense work and installations but to bring additional Federal work into the State. I am pleased to report that where we have lost a Federal installation—such as the Raritan Arsenal—there have been developed by careful planning great new industrial parks which will create hundreds of new jobs.

Trends and Needs

In the area of labor activity last year, there were exhibited the signs of growth and change which are the mark of this State. Current trends indicate continued expansion in 1965 with growth in personal income and employment matching or exceeding 1964.

Total employment, now nearly 2.5 million, is at an all-time high. Throughout 1964 the jobless rate was the lowest since 1956.

The Cabinet Economic Committee, created by the administration has documented the hallmarks of growth in almost every area of our economic life.

However, our record of accomplishment leaves much unfinished business. General prosperity is of little consequence to the workers displaced by automation and technological change, to the young worker ill-prepared to take his place in an increasingly competitive job market, or to the many thousands of workers who remain unprotected by legislation on our books. Over the years our labor laws have been riddled by exceptions and their floor of protection remains inadequate for the high cost of the basic American standard of living in the 1960's.

The Job Ahead

This Legislature inherits from its predecessors the need to address itself to:

- * A meaningful minimum wage bill without those countless exceptions perennially proposed in the Senate so that full-time working heads of families do not remain on a roster of the working poor.
- * Prompt enactment of the modern comprehensive worker health and safety bill. Present law hampers modern industrial processes and leaves a million workers wholly unprotected in their work places.
- * Prompt action on the recommendations of the Joint Legislative Study Commission on Workmen's Compensation.
- * A review and adjustment of benefit rate schedules of workmen's compensation, unemployment insurance and temporary disability benefits in the light of current circumstances.
- * Development of a labor relations law which will facilitate and expedite peaceful settlement of labor-management disputes, including those in industries franchised by the State.

In many other areas our Department of Labor and Industry is working to improve opportunities for those who seek employment in New Jersey. The past year has seen substantial improvements in the housing of the migrant worker, with improved sanitation and heating facilities. Central heating systems have been installed in more than 80 camps, and indoor facilities for bathing and washing have replaced hand pumps.

Regulations governing the installation of heating facilities have been developed with safety experts and will be issued in 1965 as a further safeguard of lives and property.

Continued mechanization of farming will further reduce the number of jobs for migratory workers. If they are to be productive members of society, they must be equipped with the necessary skills to take their place in vastly different jobs. Our State Office of Economic Opportunity is working with the Department of

Labor and Industry, the Department of Education, and the communities of the State to develop programs to train the migratory worker.

The Link of the Economy—Transportation

Few problems involve New Jersey citizens so immediately as their daily confrontation with inadequacies of transportation. The vexations of traffic congestion, insufficient parking facilities, uncertain commuter railroad service and the tragedy of a steadily rising highway death toll are constant concerns for all of us.

And nowhere in America are the problems of transportation more acute than in our State—the most highly urbanized and heavily traveled in the Nation. Our widely dispersed industry, combined with a growing urban mobile population, impose ever-increasing demands for an improved transportation system. We are a motorized society. The number of motor vehicles owned and driven by New Jersey residents has tripled in the past generation to almost 3 million this year. We now have almost one vehicle for every two residents. This trend shows no sign of leveling off. Estimates show that registrations a generation hence will reach almost 6 million. These figures speak for themselves and must concern all who live and work in our State.

Only through foresight and advance planning can we safeguard the established patterns of our community life against unnecessary disruptions and insure the most effective use of all forms of transportation. The present Federal Highway program makes no provision for sharing the costs of adapting our roads to recognize their impact on our communities and on the natural beauty of our countryside. The Congress will soon be considering new legislation to succeed the present Interstate Highway program. I will urge them to build into this new program provisions to permit us to plan our highways so as to harmonize with their environment. Transportation must advance our economy, but not at the cost of destroying our neighborhoods.

The Effort to Keep Pace

During the past 10 years New Jersey has made strenuous and often pioneering efforts to meet the transportation challenge, yet

the available financial resources have constantly been inadequate and the list of our needs has grown even longer. The State Highway Department has taken significant steps in the past three years in its all-out battle to modernize our overloaded highway system. For instance, the last two annual construction programs of the Department—totaling about \$350 million—represent a major advance in fiscal planning. The Department achieved the difficult goal of matching all available Federal aid one year in advance of the time when some of it would ordinarily have become available. This was accomplished as a direct result of an accounting modernization program within the Highway Department which began shortly after this administration came into office. This management effort, among other things, permits faster and more effective use of available State funds.

Much has also been accomplished in the field of electronic highway engineering, utilizing machines installed in 1962. Engineering problems are being solved more rapidly with great savings. Another important development has been the use of electronically processed safety data to help establish priorities for remaining projects in the Department's present Master Plan. Roving teams of traffic engineers form a mobile safety division, to check continuously for highway design deficiencies at high-accident locations.

Recent years have seen increased emphasis on the planning which is so essential to the continuing development of adequate systems. We have recognized the importance of a balance of all modes of transportation and have developed programs designed to move people, rather than merely automobiles. At both ends of the State, executive leadership has played a crucial role in forging inter-governmental and interstate arrangements to secure comprehensive planning. The Penn-Jersey Transportation Study promises to provide a blueprint for sound transportation in the Philadelphia-Camden region and, in the New York metropolitan area, the Tri-State Transportation Committee has been engaged in the most comprehensive regional transportation study ever undertaken in this country. In other urban areas of our State, planning groups have been established by the Highway Department. Moreover, in order to create an overall transportation policy for the State, I

have appointed an Advisory Committee on Transportation, consisting of Karl E. Metzger, Paul L. Troast and G. Raymond Wood, and I am pleased to report that this group has already made a start in its studies for a State plan.

Metropolitan Gains

Through the efforts of our State government, regional mass transit improvements have been accomplished in both of our metropolitan areas—the Delaware River Port Authority's Kirkwood Transit Line in Camden County and the Port of New York Authority's acquisition and improvement of the Hudson and Manhattan Tubes. Rehabilitation of the Hudson Tubes is proceeding rapidly and some new cars are about to be placed in service. Only a few months from now, in June, with the delivery of 162 new cars—the only all-air conditioned rapid transit fleet in the Nation will be in use.

Continuance of railroad commuting service has been assured for the time being by passenger service contracts covering the principal commuter lines and a start has been made on reorganizing rail service on a sounder basis. The integration of the Boonton Line and Greenwood Lake Division on the Erie-Lackawanna was accomplished last year—not only benefiting the railroad substantially by reducing its operating costs, but providing better service for many commuters. Construction to consolidate the passenger facilities of the Pennsylvania and Central Railroads under the Aldene Plan is under way.

In highway construction we can also report progress. More than a quarter of a billion dollars worth of highway construction has been completed in New Jersey since January 1, 1962. Yet this amount plainly has been insufficient when one considers the towering cost of highway construction in this urbanized state. New Jersey ranks third among all the states, in fact, in the cost per mile of constructing its highways, and costs of \$10 million a mile in our urban areas are not unusual as compared with an average nationwide cost \$1 million a mile for interstate highways. Acquiring land for highways is also a major problem in a state such as ours where open space is being consumed rapidly.

As the demand for space builds up, the cost of land for highways skyrockets.

A Year's Developments

This past year has seen the opening of the Bergen Expressway from the George Washington Bridge to the Garden State Parkway. Significant sections of Interstate Routes 287 and 295 have been opened to traffic. Route 3, the major approach to the Lincoln Tunnel, has been greatly improved all the way to Route 20 and the bottleneck at the Hackensack River eliminated. In the southern part of the State the Atlantic City Expressway from Camden is now a reality, and purchase of right-of-way for the Route 55 Freeway has started. The Cape May-Lewes Ferry is in operation and the Gloucester-Chester Bridge has been approved. In the center of the State, planning has started on a Trenton spur to the Turnpike which will connect with a modernized and dualized Route 33 to give rapid and convenient access between Trenton and the Jersey Shore.

Progress has likewise been made in the area of research and traffic safety. Experiments are progressing with low-level lighting, special pavement protection and the development of pavement designs of greater strength and durability. The products of past research—center barriers, jug-handle turns and creeper lanes—are modernizing our highways throughout the State and saving lives.

None of these occurrences, however, detract from the fact that we face a transportation crisis in this State. If we move forward resolutely, our progress to date can provide a solid foundation for the solution of our problems. If, on the other hand, we dodge the issue, we face major risks the loss of new industry inconvenience and danger to our people and decline in our position as a leading business State. Despite our progress, our major shortcomings remain inadequate staff, inability to make advance purchases of right-of-way and lack of an adequate and stable source of construction funds to maintain a vigorous program.

—If we had sufficient funds, for example, it would be easier to come to agreement with local officials and residents more

quickly on the alignment of the new freeways so badly needed in our urban areas. These local controversies have delayed many essential projects to the point of almost complete frustration.

- If we had sufficient funds to invest in advance purchase of right-of-way, the taxpayers of New Jersey would save many millions of dollars.
- If we had sufficient funds to invest in staff, much could be saved by eliminating the need to pay a fee, profit included, to engineering consultants.
- If we had sufficient funds, we could maintain a meaningful program of State aid to counties and municipalities which would enable these local governments to contend with the tremendous volumes of traffic entering and leaving the State highway system.

The successes and the failures of our highway program in meeting our transportation problems can be precisely measured by the degree of this State's willingness to spend money.

The Commuter—Special Needs

In the area of mass transit, I have noted that our subsidy program has thus far preserved essential commuter service, but all who use these services recognize the precarious nature of this continuance. Most of our commuter railroads find themselves in financial straits and inevitably seek to eliminate or cut down these unprofitable services. These commuter services are essential and they must be continued. We must mutually resolve that the commuter lines continue to provide ample convenient service.

Last year I approved a new Railroad Passenger Service Law which permits us to tailor the allocation of our subsidies to meet the particular needs of each of our commuter lines. Under this program substantially greater help is being given to those railroads with more desperate financial need. We will continue this program, and even modestly increase it. But the railroads on their part must accept the responsibilities inherent in the public utility nature of their business. We offer help and encouragement with the consolidation and integration of commuter lines, but we shall

fight with all our strength any attempts to seek curtailment of commuter service. We will cooperate in the projected reorganizations of the eastern railroads, but we shall insist that our railroads participate and benefit from these consolidations, as a matter of their survival.

The aid we have given to date has been substantial. Last year subsidy payments amounted to \$7,240,000. Since the inception of the program, the railroads have received over \$30 million from the State. Just last month I signed a bill which offered substantial savings to the railroads by the total elimination of Class I and Class III taxes. Consolidation of existing lines at State expense, as at Aldene, has and will result in substantial operating economies. Local communities are now permitted by law to share in the cost of maintaining and improving station facilities. Our efforts to date have been many and they have been resolute. I invite other suggestions from the Legislature, and I will give full consideration to any recommendations it cares to make.

Our task—which the State has carried out alone to date—is made the easier by the passage by Congress of the Urban Transportation Act of 1964. At my direction, our Division of Railroad Transportation is perfecting plans to have New Jersey fully participate in this program.

The integration of commuter rail and bus service must be encouraged. By the coordination of services and easy transfer between various modes of transportation, needed flexibility can be given to our fixed rail lines, making them convenient to the commuter and relieving rush-hour congestion on our highways. I have asked President Hyland and Commissioner Palmer to undertake the study and implementation of this proposal.

The Broad Look, Regional Planning

Our accomplishments in the field of transportation planning have been substantial, yet unless we take affirmative action in the very near future our leading planning agency will be destroyed. The Tri-State Transportation Committee cannot much longer continue to operate under an informal executive arrangement. To insure the development of a truly satisfactory master plan for

the development of transportation in the northern area of this State and to meet the requirements of the Federal Highway Act of 1962, it is imperative that a formal interstate arrangement be legislated.

Nine million dollars, principally from Federal funds, has already been spent in the most extensive regional planning investigation ever conducted in this Nation. This investment must not be lost. But beyond that, the money loss would be but a shadow of the resultant damage to the millions who live in this region.

I intend shortly to arrange a bipartisan meeting of Governor Rockefeller and the New York legislative leaders and our own legislative leaders to consider this vexing problem. It is my hope that this group will work out the final answer. When such a solution is presented, I hope you will give it your urgent and prompt consideration, for the crucial date of July 1, 1965—by which time our regional relationships must have been legislatively formalized—is almost upon us.

Jetport, A Continuing Search

We are all too familiar with the most recent developments concerning the proposed jetport to require the repetition of these facts. I remain firm in my conviction that a new major jetport is a necessity to the economic growth of this entire region and that New Jersey as a state represents the best possible location for such an installation.

I have therefore directed Commissioner Roe and his Bureau of Aeronautics to keep in close contact with all of the agencies that will be concerned in a final resolution of this matter, including the Port Authority, the Federal Aviation Administration and the military authorities who will determine the future utilization of McGuire Air Force Base.

I shall report promptly to you any developments concerning this most important project.

An Urban Frontier—The Meadows

Continued progress was made this past year in our efforts to plan for the reclamation and development of the Hackensack

Meadows, one of the last large tracts of unused land within the metropolitan area.

The overall program is unique and is unquestionably one of the outstanding examples of regional, local and inter-governmental cooperation in our Nation. It is being coordinated by the Meadowlands Regional Development Agency (MRDA), consisting of 13 municipalities which share the Hackensack Meadows. Federal, State and private agencies are also deeply involved in the Meadowlands plan. When all the various agencies complete their studies, we shall be well on our way to realizing the age-old dream of putting these wetlands into productive use.

Although the planning and engineering solutions are necessary and important first steps, dependent upon each other for the development of a feasible and workable plan for reclamation and development, we also recognize the multitude of jurisdictional, fiscal and administrative problems which have impeded past attempts at development. Calling upon the varied resources and expertise of Rutgers, the State University, and with Federal financial assistance, a joint, area-wide plan of implementation is being formulated.

As part of the program, the Commission to Study Meadowland Development, consisting of outstanding private citizens and chaired by my predecessor, former Governor Robert B. Meyner, is insuring that the overall public interest is considered and that all efforts are coordinated in achieving the desired results, including the solution of riparian land problems, within the boundaries of legislation which might have to be adopted to meet this problem which is as old as New Jersey itself.

The dedicated efforts of all agencies at all levels of government will lend direction to this program for application in other areas of the State. The coordinated approach which has evolved for the development of the Meadowlands will result in great economic and social benefits not only to the Meadowlands communities but to the entire State and region as well.

Federalism—The Fruits of our Partnership

New Jersey has nurtured a stronger partnership with the Federal Government and this has had tangible meaning for our people. In 1962, we gained for the recreational use of New Jersey and its visitors 460 acres of Sandy Hook. Our Department of Conservation and Economic Development moved quickly to develop this as a place of recreation and in its first year of operation hundreds of thousands of people were accommodated. In 1964, as Governor of New Jersey I had the honor of receiving from the hands of the President of the United States the transfer documents turning over 271 additional acres of magnificent beachfront and bay shore area, the last such land remaining in its natural state in this metropolitan area. This increased the size of the facility by 60 per cent and will enable Sandy Hook this year to serve more than a million citizens.

I think we all feel a sense of pride in this development of a playground for all the people.

The concern of New Jersey as a state and the action of the federal-state partnership which it invoked, has meant uncounted benefits for our seashore area upon which depends much of our first industry, travel and recreation. It meant salvation for seashore counties devastated in the worst storm in our history. The vigor of our municipalities in carrying their part of the burden has helped us write together a history of courage and accomplishment which will brighten the pages of New Jersey's future.

In 1965 we can look forward to financial assistance from the Federal Land and Water Conservation Fund, a grant-in-aid matching fund program to help states plan their recreational systems, acquire land and provide recreational facilities. This 25-year national fund would be a timely supplement to our Green Acres program.

Also, we shall continue to participate in the Federal Housing and Home Finance program for open space land acquisitions. We are aware of the opportunities for Federal assistance in geological surveys of our ground water resources and the ever-lurking threats in some areas of salt water encroachment. And we shall continue to work for development of off-the-right-of-way-

parks along our highways for motorists to rest and relax amid nature's beauty.

The vistas before us are broad and they are bright. We move forward into years of further accomplishment.

Public Utilities—Sensitive Regulation

In the past three years, the Board of Public Utility Commissioners has guided the accomplishment of utility reductions, refunds and other tariff revisions resulting in consumer savings of some \$24 million. During this time, the Board also has taken decisive action in the area of public safety by investigating and initiating legislation to eliminate the hazards of explosions attributable to leaks from gas mains and distribution pipes. The safety measures proposed by the Board finally were enacted last year, and the Board has taken immediate steps to implement them.

The past several years have seen the growth of a new industry known as CATV, or community antenna television service. This is a television antenna system which receives signals transmitted by television broadcast stations, and redistributes them by wire or cable to members of the public who subscribe to the service. CATV systems flourish primarily in areas which receive marginal or intermittent TV service because of their distance from broadcasting stations. Since long stretches of coaxial cable used in CATV operations are subject to deterioration, resulting in progressively poorer TV signals, CATV systems often use common carriers to provide microwave links with their antennas in order to insure signal quality and to avoid cable failures.

An increasing number of these television systems are coming into operation in the southern portion of New Jersey, particularly along the Atlantic Coast. CATV companies are currently operating with a minimum amount of governmental control, and because of their current expansion, conflicts will result between competing companies over franchise rights. Thus we are presented with a classic example of the birth of a public utility, with all of the attendant hazards to the consumer of unrestrained competition and service without prescribed standards. Legislation will soon be introduced to regulate this new industry by bringing such

companies within the present statutory definition of the term "public utility."

Preserving Our Agricultural Heritage

It is the firm conviction of this administration that we must spare none of our efforts to preserve agriculture as a vital part of the economic and social life of New Jersey. With this in mind, we have taken significant steps which we believe are truly in the interest of those engaged in agricultural pursuits.

Among these was the approval of a constitutional amendment prepared by the Governor's Committee on Farmland Assessment. This amendment permitted the assessment of farmland for tax purposes on the basis of its use for agricultural purposes. Its adoption and passage of implementing legislation, which was also prepared by the Governor's Committee, comprised a significant move to preserve the agricultural industry and the family farm in New Jersey. It also will provide urgently needed "open space" for all citizens.

Another important legislative achievement has been the establishment of fur farming, a \$2 million annual business as an added segment of agriculture. I am happy to report the reorganization of the Department's structure has resulted in streamlining in all of its operations for greater efficiency in serving the farms of New Jersey. Furthermore, the Department of Agriculture has worked closely with the Department of Health in the establishment of modern laboratory facilities to provide another essential and important service for those engaged in every phase of agriculture.

These achievements have strengthened the agricultural industry in New Jersey—a vital \$300 million a year business—and will enable it to continue as an essential segment of the economy of the State.

A Transfer of Responsibility

With the completion of the new Health-Agriculture laboratory building, the time is appropriate to transfer from our State University certain responsibilities which are the proper function of a regulatory agency. I refer to the laws administered by the State

Chemist and State Seed Analyst at the Agricultural Experiment Station.

I am pleased to report that a satisfactory agreement has been reached by the Board of Governors, the State Board of Agriculture, President Mason Gross and Secretary Alampi to make this transfer.

Consequently, I shall ask your approval of appropriate legislation to assign the offices of the State Chemist and State Seed Analyst to the State Department of Agriculture and to provide funds for laboratory facilities to accommodate the work in the new building of the Department.

THE FRAMEWORK OF GOVERNMENT

The Legislature—Profound Changes

On June 15, 1964, the Supreme Court of the United States signalled the end of the constitutional system of legislative representation to which New Jersey has adhered for many years. Our own Supreme Court has brought the message home to us by declaring that the legislative article of the New Jersey Constitution must be adjudged to be invalid insofar as it deals with the apportionment of the members of the Legislature. By order of the Court, this body soon must give way to a new Legislature to be elected next November under an apportionment plan which meets the newly enunciated Federal standard of equal representation for all the people of this State.

So profound an event in the history of our State and Nation could not possibly have occurred without producing divergent public reaction. Some have welcomed this basic change in the structure of State government, while others have decried it and have sought to nullify it. The responsible concensus, however, has recognized that the time for debate on the merits of the Supreme Court's action has passed, and that any attempt to turn back the clock would be out of step with the progressive traditions of this great Nation. In that spirit, the Legislature has established a bipartisan commission of distinguished public officials and private citizens to formulate a plan for the apportionment of the interim Legislature which must be elected this November.

At the same time, however, there remains in the Legislature an unfortunate but substantial undercurrent of negativism and opposition to any change in the status quo. A resolution calling for a constitutional amendment to permit states to apportion the membership of one legislative house "on factors other than population" recently was defeated in the Assembly by the narrowest of margins. The leadership of the Senate has indicated that a similar resolution will be introduced in that House during the forthcoming session. Such maneuvers are associated inescapably with certain efforts which have been made elsewhere to evade the force of the equal protection clause of the United States Constitution in related areas, and are entirely foreign to the heritage of New Jersey.

I would urge all legislators to abandon any further efforts in that direction, and to concentrate all their energies upon the adoption of a meaningful apportionment plan for the next election. It would be tragic if this, the last Legislature elected under our present system, were best remembered only for having presided reluctantly and bitterly over its own demise. This Legislature instead could live forever in our history as the body which paved the way for an orderly and constructive transition from the old way to the new way, in obedience to the supreme law of the land. The choice is yours.

Two Continuing Obligations

In addition to reapportionment, there are two other internal legislative matters which warrant early consideration by the Legislature this year. The first concerns the enactment of a workable conflicts of interest law.

During the past session, the two Houses for the first time were able to agree on the passage of legislation to define and prohibit conflicts between the official obligations and the private interests of members of the legislative and executive branches of government. This bill embodied the approach, long favored by the Senate, of granting to each House the exclusive power to hear and determine, in closed session, all charges of impropriety against its own members.

Primarily because of my conviction that no conflicts of interest law can be of value unless it provides the assurance of a full and fair public hearing on such charges by an impartial body, I found it necessary to return this measure to the Senate with certain recommendations to strengthen it in that regard. Specifically, I proposed that the State House Commission, as an appropriate independent tribunal composed of responsible members of the executive and legislative branches, be empowered to adjudicate the truth or falsity of complaints involving alleged violations by members and employees of both branches. This recommendation was offered as a possible compromise between the criminal sanctions preferred by the Assembly and the illusory enforcement provisions advocated by the Senate. To the gratification of many, there was some indication that the Legislature might repass the bill with the substance of my recommendations, thus breaking a long-standing deadlock between the two Houses and giving this State its first meaningful conflicts of interest law. Unfortunately, this responsible action failed to materialize during the past session. I am hopeful, however, that the Legislature in this session will accord early recognition to its responsibilities in this area, and that a new bill adopting my suggestions for certain and impartial enforcement of the law will soon be introduced and passed.

The second piece of unfinished internal business for this Legislature relates to the measure enacted last year to require the registration of "legislative agents," as that term is defined by the act, and the filing of quarterly reports by legislative agents and certain other persons engaged in the influencing of legislation by direct communication. As I observed when I approved this law, I was skeptical as to whether it would in fact establish an effective program of lobbyist control because of its rather imprecise definitions concerning those persons who are subject to its provisions. Because of my wholehearted agreement with its stated objectives, however, I signed this law with the understanding that it represented no more than an experimental first step which subsequently might be extended by the Legislature on the basis of actual experience if that experience should so warrant. While the first definite indication of this law's success or failure will not manifest

itself until the advent of the first quarterly filing date, the signs so far have not been encouraging in terms of the number of persons who have registered as "legislative agents." I would urge the Legislature to watch closely the development of this situation, and to prepare to make any necessary clarification or extension of this law which may prove to be needed in the near future.

New Demands on the Courts

The framers of our 1947 Constitution conceived a new court system which soon achieved international recognition as a prototype for the swift and impartial administration of justice. Streamlined in its structure, evenhanded and efficient in its operation, distinguished by the services of many dedicated judges and incorporating new concepts such as pre-trial procedures, this court system converted the abstraction of equal justice under law into an everyday reality upon which our citizens have come to depend.

Perhaps it is ironic that while the New Jersey judicial system continues to be admired and emulated elsewhere, serious external pressures today threaten its continued effectiveness as an instrument of justice. The world has changed during the past 17 years, and the change has been reflected in the needs of every state. There has been a population explosion, and the personal and business affairs of the average person are more complex than ever before. New social and governmental relationships have emerged, and there are new concepts of civil duties, rights and liabilities. There has been an increase in the crime rate, in part due to the great increase in our population. The use of the automobile has become such a part of modern existence as to congest our highways and contribute to an alarming increase in injuries and property damage.

In another day and age, our existing court system might have functioned effectively for many years without need for re-examination or revision. The stresses of the unique time in which we live, however, are taking their toll and urgently suggest the need of a comprehensive study with a view toward determining those areas in which our judicial system should be adjusted to meet the new circumstances which could hardly have been envisioned even 17 years ago.

A Broad Review

After discussing this subject with the legislative leaders, I have requested Princeton and Rutgers to undertake a joint study of this problem. This analysis will be wide in scope, and will include questions of court structure; jurisdiction and procedure; the term, tenure, and qualification of judges; and salary and pension arrangements for members of the bench. While both universities are willing to undertake this review, a project of such magnitude will require some financial assistance by the State. I intend to request the Legislature to make a suitable appropriation for this purpose on the basis of cost figures which will be made available later. I am certain that the amount involved will be moderate, particularly in view of the benefits to be achieved, and I commend this problem to your urgent attention.

While the results of this study may not be forthcoming in time for early consideration by this Legislature, there are two immediate and urgent needs for improvements in the court system which no study is needed to establish, and which warrant early legislative response.

The Undeniable Need for Judges

The first is the undeniable need for more Superior Court judges. An unprecedented surge of litigation has crowded the court calendars far beyond their capacity for timely disposition of law suits and criminal indictments. The people are being deprived of their right to prompt redress of their legal grievances, and the administration of criminal justice is lagging. The impending breakdown in the capacity of our present bench, despite the faithful hard work of our judges to deal with the case backlogs, threatens the administration of justice in a very real sense.

Last year I called for legislation to increase the number of Superior Court judges from 44 to 60, and a bill to that effect was introduced with bipartisan sponsorship. However, a committee substitute limited the number of new judgeships to eight. While I am gratified that the Legislature was partially responsive to the problem I must reiterate that the additional judges are urgently needed by the people of New Jersey. I am hopeful that the Legislature will act soon to provide them.

Salary Increases—an Immediate Concern

The bipartisan proposal last year also provided for comprehensive increases in the salary of judges with the necessary cost to be defrayed by increasing certain court fees, which had not been elevated since 1955. This request was not acted upon by the Legislature.

Meanwhile, in the Federal system substantial increases have been made in the salaries of all Federal judges, which brings into sharp focus the failure of our judicial salaries to be compensatory in terms of the rising cost of living.

No court system can be better than the judges who are called upon to exercise its functions. Thus far we have been fortunate, perhaps more fortunate than we could expect, in the high caliber of men who have forsaken lucrative law practices to ascend to the bench. The fact that such men have subordinated material rewards to the ideal of public service cannot excuse us from compensating them on a scale which will enable them to meet their reasonable personal and family requirements and expenses. Judicial salaries in New Jersey have fallen markedly out of step with today's cost of living. For this reason, it has become increasingly difficult to attract the best qualified and otherwise willing attorneys to a judicial service which entails so much financial sacrifice. Although public service traditionally and properly is not the road to wealth, it should never become a calling in which only those of independent means or fortune can participate, or a sinecure for those who do not meet the high qualifications which we expect of our judges. I seriously urge that the Legislature consider this problem with realism and wisdom during this session.

The Service of the Public

State government exists for the benefit of nearly seven million citizens. But it has a special relationship to employees at local as well as State level—those people responsible for the effective functioning of government. And like any employer, the State has a responsibility for the reasonable protection of those public servants who in turn show loyalty to the State through their industry and efficiency.

We have instituted, through our Department of Civil Service, a variety of modern personnel programs to enhance the capability of public employees. One result is the fact that, in the State service, our employees render a professional performance that has helped New Jersey achieve the lowest per capita cost of government of any of the fifty states.

It is appropriate to review a number of personnel programs undertaken by the Department in recent years to demonstrate the variety of its accomplishments. They include:

Major expansion in the use of practical performance tests for technically skilled positions instead of the former complete reliance on written examinations.

A broadening of the program for Civil Service examinations for all levels of government. Instead of limiting tests to Friday evenings and Saturdays, they are being held throughout the week, thus permitting quicker scheduling after public announcement, shorter waiting periods for issuance of employment lists and, as a result, maintenance of interest by applicants for public employment.

A wide ranging program of classification and salary surveys for government at all levels. Over the past three years, sixty-six such surveys were made by the Department, reviewing the duties of more than 23,000 employees. In the last fiscal year, one of these projects included classification or reclassification of 5,200 positions in the State service.

A Goal of Excellence

A sharp growth of in-service training programs conducted by the Department. In fiscal 1962, 275 executive employees were involved in such training courses. The following year there were 625, and in 1964 we trained 844. This rise was achieved with no increase in training staff. Semi-annual meetings of graduates of the Management Training Seminar have been instituted to reinforce the original training. Based on the success of this seminar with State officials, a similar program was begun for county and municipal executives in 1963. This is the only program of its type in the Nation.

Stepped up recruitment efforts among college seniors and recent graduates which resulted in an increase in graduates attracted to our college classification tests from 900 in 1962 to 1,438 in 1964.

A helpful factor in the Expansion of the State Employees' Suggestion Program was an increase from \$1,000 to \$1,500 in the maximum award. Last year these suggestions saved the State more than \$144,000.

These activities comprise a major aspect of our personnel program. But as every businessman recognizes, an employer must manifest a concern for the material welfare of the men and women who staff his enterprise if that enterprise is to succeed.

Employee Benefits

The State government has been engaged in a continuing effort to shape a program of public employee benefits in an era when such employer concern is a daily fact of life. We believe that improvement of benefits has kept pace with developments in private industry.

Pensions have received particular attention. In 1962, we enacted legislation to restore to certain disadvantaged members of the Public Employees' Retirement System and Teachers' Pension and Annuity Fund pension benefits which they had been led to expect but which had been foreclosed by abrupt changes in Federal law. In 1963, also in fulfillment of a pledge to the people, I was privileged to sign into law a bill permitting members of the retirement systems to purchase substantial supplemental retirement benefits based on the variable annuity concept. Last year, we took further action to improve inadequate pensions.

The entire benefit and contribution schedules of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Fund were revised only last month. Also in 1964, we took action to protect widows' pensions in the Prison Officers' Pension Fund. Other recent legislation permitted increases in the contributory insurance programs of the several systems and allowed the purchase or grant of additional prior service credit.

Last year we extended the State Health Benefits Program to provide basic hospitalization and medical-surgical coverage, as well as major medical insurance protection to teachers and other county and municipal employees, while extending the program to retired employees for the first time.

These achievements, however, should not becloud the need for continued improvement of employment conditions. At one time, the security and other benefits connected with public service made it highly competitive with private employment, although public salaries frequently were lower. Today, the situation has changed. Security is a major consideration with private firms, and many of our latest "fringe benefits" are modeled on existing private programs.

Competitive Salaries

There is a further competitive factor—the attraction of the Federal service. This has been enhanced by the recent action of Congress in voting a substantial salary increase for the entire Federal establishment.

Although salary adjustments have raised average State salaries from \$4,800 in 1962 to \$5,300 in 1964, and the minimum State salary from \$2,500 to \$3,042 in that period, we have not kept pace with salary improvements in private industry and with the Federal government.

Therefore, in my fiscal message, I will make detailed proposals to bring State salaries into better line with changing conditions.

This consideration must include the principal executives of State government, the department heads whose salary levels are disproportionately low compared with those with comparable responsibilities in the Federal government or in neighboring states. Similarly, we must take steps to maintain the traditional high quality of the judiciary. I outline elsewhere in the message my suggestions concerning the courts.

Thus, the Legislature and Governor are called on to assume the obligations of a responsible employer. I am most hopeful that we will not shirk that responsibility.

Advances in Electronic Data Processing

To improve the administrative efficiency of State government, a significant effort is being made to expand the use of electronic data processing. This effort yields a double benefit. First, the use of the data processing technique has enabled us to forestall immediate additional costs. But more importantly, it has made it possible for the State to meet growing workloads with minimum additional costs.

In the current fiscal year the State budget has provided \$1,178,222 for data processing equipment rentals and purchased services, to enable the speedy and economical issuing of our driver licenses and vehicle registrations, auditing tax returns, preparing hospital patient billings, issuing our employee paychecks, designing highways, issuing unemployment benefit checks, maintaining our pension records, compiling the Table of Equalized Valuations, and a growing list of other vital tasks.

At present the State is conducting advanced data processing studies in the following areas:

1. The Division of Motor Vehicles is seeking to reduce traffic deaths through electronic correlation of driver records, driver licensing, and traffic accident reports.
2. The efficiency of the State Police communications system is being increased through electronic message switching.
3. The Department of Labor and Industry is considering the possibility of getting New Jersey's unemployed back to work sooner through an electronic system to match unemployed skills with job opportunities.
4. Initial steps have been taken to utilize electronic data processing techniques in legislative research and bill drafting.
5. The Treasury Department is actively studying the feasibility of integrating, through electronic data processing, present budgeting, accounting, and procurement operations.

In planning for the future use of this effective administrative and management tool, the State is proceeding on two fronts. First, we will continue to evaluate and coordinate data processing installations for better utilization. Second, we will continue to

analyze and to select other activities in the State government that offer feasibility and opportunity for improved efficiency through the application of electronic data processing.

FISCAL RESPONSIBILITY THE BASIC QUESTION

I cannot close without commenting specifically upon what most responsible people agree is the outstanding problem confronting State government today: the need for sufficient revenue to enable the State to meet the requirements of its people.

Although it is customary to withhold from the legislative message discussions relating to fiscal problems, because of the importance of this problem, I do not think a candid statement on it should be delayed. I have, therefore, undertaken throughout this message a discussion of many programs which will require strong financial support in order to be implemented. The programs which I have detailed or recommended are clearly essential to the health and welfare of our people and to the proper functioning of our governmental agencies both State and local. These proposals range through the entire gamut of State activities—from education to public health, from increased State aid to local government to accelerated capital construction needed by the State.

In addition to these programs, I shall submit within the next several weeks, a report on the proposed capital improvement program prepared by the Interdepartmental Committee for State Planning which projects the capital requirements of State government for the next five years. Some of the proposals in this report are touched upon in this message. Others will be commented upon more fully in the Budget Message which I will deliver on February 1st. It is my hope that the budget I present on that date will provide the funds necessary to carry out our present programs, somewhat expanded and enriched, within the existing fiscal structure. The satisfaction of a balanced or near-balanced budget, however, should not encourage us to ignore the price which we must pay for such an accomplishment.

The Cost of Programs

Many of the new programs I have set forth today are not and cannot be paid for within the framework of our existing fiscal structure. Their detailed costs can be calculated only after the passage of specific legislation.

It should be apparent to all, however, that even a modest beginning on these programs will require substantial sums. The capital requirements for highways, higher education and mass transportation alone must be considered on a multi-year basis before the amounts available under any approach can be viewed as adequate.

Any revision or expansion of the existing aid programs to municipalities, counties and school districts can be meaningful only if they approach, in total, an annual expenditure of about \$100 million. All of this points to the inevitable conclusion that no matter how conservative, no matter how skeptical we are as to our total needs, even the most restrictive concepts of these needs require a recognition that they can be satisfied only through an expansion of the State's revenue base. This should come as a surprise to no one.

In my Inaugural Message, three years ago, I commented that "we must make our contribution to the common good * * * by a willingness to accept the cost of the many services required by the people of their State and local governments."

Two years ago, I approached the Legislature, in my Special Message on the Bond Issue, to report on the need for additional revenue and to suggest a method to provide the revenues required short of the broad based taxation we have all sought to avoid. I must say in candor that this proposal although adopted by the Legislature, was repeatedly attacked by the political party which now controls both Houses of this Legislature and the bond issue was rejected by the people.

Last year, I repeated what I believe we now have come to accept—the continued need of this State for a means to satisfy the just demands of the people. As you know, I suggested a personal income tax capable of raising the sum of approximately \$155

million a year. Again the majority party in this Legislature, while not seriously disputing the existence of these needs, resisted that proposal. Some of you, individually, and in response to the dictates of conscience, recognized a need for action and suggested an alternative broad based tax. I remarked then and I say now that I stand ready and willing to approve any reasonable and responsible revenue-producing measures which can provide the means for satisfying the legitimate expectations of our people for services and for better government.

I am not able to offer any magic or painless solution to the fiscal problems of this State. I know of no easy way to escape the responsibility which is ours. I have sought, in a manner which I believe to be in keeping with my responsibilities as the Governor of this State, and in fulfillment of my pledge to the people, to encourage the Legislature to meet our situation in a forthright manner. I shall continue my efforts to convince this Legislature that we have a joint responsibility to provide the revenue needed.

In light of the record, however, I feel that it is not unrealistic for me to state quite frankly that the next move belongs to the Legislature. During the past year I have been reminded by some members of this body that it is the function of the Legislature to legislate and that the Executive should not intrude upon this province. I respect the separation-of-powers concept and have no wish to arrogate to myself those powers which rightfully belong to you. But it is self-evident that those who would seek to have power must accept with it the responsibility to use that power wisely and for the benefit of the people they represent.

Chapter 51

There is one aspect of the fiscal problem which is, perhaps, more acute than any other at this moment. I refer to the local taxation of business personal property under Chapter 51. As you know, Chapter 51 was a legislative proposal designed to end the difficulties encountered in local property taxation as a result of the court decision in *Switz v. Middeltown*. It was a law enacted prior to my term of office. By legislative action, it was postponed for three successive years. Last year the Legislature

determined that this law should go into effect despite repeated attempts by some legislators, supported by the elected officials of many of our municipalities, to again effect a postponement or a repeal of this law.

We are all aware that much of the thrust behind this effort to avoid the imposition of Chapter 51 is the fact that this law will place the taxation of business personalty on a uniform basis for the first time in the history of the State. While uniformity, as an abstract concept, has much to commend it, the practical effect of placing our local property tax system on a uniform basis will be to shift, in some cases drastically, the tax liabilities of our businesses and industries. Some businesses may benefit; many others stand to incur a substantial increase in their local property taxes. Justified though such a revision in the tax structure may be, the adjustment in a single tax period of tax inequities built up over many years undoubtedly will result in hardship in many individual cases. In addition, the business personalty tax, as I pointed out at the time that I approved the only amendments to Chapter 51 that the Legislature would pass last year, is fundamentally a poor one. It is in no way related to the capacity of business to pay and may bear more heavily on taxpayers who are less capable of paying while it leaves virtually untouched many more prosperous businesses.

My recent industrial trip to Europe only served to reemphasize the pressing need for stability in the area of business taxation. I was questioned time and again by knowledgeable European business leaders about the local business tax situation in New Jersey. These gentlemen know of our problems and are following our actions.

I am convinced from discussions I have had with business leaders in New Jersey and elsewhere that we are jeopardizing our impressive record of industrial growth through the uncertainty that has been created as a result of our local property tax disputes. In many cases the concern of businessmen has been directed not so much to the level of the taxes as it has been to the uncertainty of the burden. Chapter 51, by imposing a uniform and relatively well-defined method for establishing the local business tax level,

may serve a useful function. It may have to suffice until more appropriate methods of taxing business personalty or taxing our businesses and industries can be derived.

Chapter 51, by virtue of your decision last year and in view of the Supreme Court's decision last week, is an accomplished fact with which we must expect to live, at least for the immediate future. I have, therefore, appointed a representative Committee on Local Property Taxation for the specific purpose of considering the impact that this tax will have upon our communities and our local property taxpayers. Pending their findings, we face the stark fact that we cannot avoid the fundamental problem of Chapter 51; namely, the tax shift and the resultant hardship that must occur as we change from the previous system to the uniformity dictated by Chapter 51.

This, therefore, is another compelling reason why the Legislature should consider this year, expanding our existing State aid formulas. Our municipalities will require additional revenues to cushion the shock of such a tax shift. Without the assistance of such revenues, many of our local property taxpayers, especially the small businessman, will be adversely affected.

CONCLUSION

The executive article of our Constitution requires that "the Governor shall communicate to the Legislature, by message at the opening of each regular session * * *, the condition of the State and shall in like manner recommend such measures as he may deem desirable." Too often the ceremonial aspects of this annual occasion tend to obscure the fact that it represents the observance of a solemn and functional constitutional obligation.

Our forefathers imposed this obligation with the hope that the coming together of Governor and Legislature at the start of each legislative session might spark an annual renewal of our mutual dedication to the cause we serve together. Today I have communicated to you the condition of the State as I see it, and I have recommended to you the important measures which I deem desirable at this juncture of our quest for a better way of life for all

the people. If I have communicated a sense of accomplishment, it is because New Jersey today stands as a strong and progressive State in many respects. Let us work together to maintain these strengths. If I have communicated a sense of frustration and urgency, it is because we have much unfinished business and many unsatisfied needs. Let us work together to eliminate these weaknesses.

Each of you has my best wishes for a happy and productive year.

RICHARD J. HUGHES,
Governor

January 12, 1965

Attest:

LAWRENCE BILDER,
Acting Secretary