

The New Jersey State
Government's Share in
Reconversion From
War to Peace

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Trenton, N. J., August, 27, 1945

THE NEW JERSEY STATE GOVERNMENT'S SHARE IN RECONVERSION FROM WAR TO PEACE

by GOVERNOR WALTER E. EDGE

As New Jersey swings into the great problem of converting from a wartime economy to one of peace, I desire to emphasize three cardinal principles around which our policies will be formulated.

First, there will be no direct State aid or combined State-County-Municipal projects authorized that can or should be undertaken by private industry.

Second, wherever employment is available in public offices or private industry, returning veterans released from the service shall receive preference whenever practical over those who have been employed during their absence.

Third, where dismissed workers are offered comparable employment and working conditions or a return to previous occupations, and refuse to accept such employment, as already reported by officials of the United States Employment Service and the Unemployment Compensation Commission, the State will feel no further responsibility for such unemployment.

For instance, it is reported that many people who left domestic service and agricultural employment for more remunerative war jobs are refusing to return to their former vocations and demanding unemployment compensation. In this connection, I quote from a statement of a USES official in New York:

"While some applicants at the United States Employment Service offices were reported rejecting jobs because they would mean a drop in pay, many workers were said to be taking the jobs even though they will get less than they did in war work."

When one reviews the progressive record of the 1945 Legislature in enacting the administration's program to increase unemployment and workmen's compensation benefits, I feel no further necessity for assuring organized labor that its problems will continue to receive every sympathetic consideration.

Following my conference Tuesday with the heads of the major State departments directly concerned with administration of our post-war program, we can start on the premise that New Jersey will be one of the leading States in making peacetime jobs available and in converting to full civilian production. Let us not be stampeded into any assumption that we will have another depression or prolonged large-scale unemployment.

An exhaustive inquiry of employers throughout the State, already made by the State Commission on Post-War Economic Welfare, indicates that peacetime employment in New Jersey should not decline more than six per cent, or 117,000 jobs, below the peak wartime employment of 1,750,000. Much of this decrease, of course, should be offset by voluntary withdrawals from the labor market of many of the aged, part-time, and handicapped workers, together with women and youths who have been working under wartime stimulus.

If these estimates of unemployment are too roseate, naturally the State, aided by the definite proposals of the Federal Government, necessarily will assume its full responsibilities and be prepared to meet them.

One of our greatest problems will be to find jobs for thousands of young returning service men and women who had no regular employment before entering the armed forces. I can assure these young people their welfare will receive every consideration.

I am confident, also, that with its great variety of industry, New Jersey can resume peacetime production within three to six months so that there should be no great unemployment among workers now in the State.

Therefore, our real task is to assure steady productive jobs for returning service men and women who either were not in

the labor market before the war or who have developed special skills and accepted added responsibilities so that they are entitled to better positions than those they left.

Since we are advised it will take at least a year to muster out of service the great bulk of our veterans, I think it most appropriate to assure those who will remain in uniform for many months that they will not be forgotten and that jobs and other opportunities will be available when they do return.

Fortunately, the State administration is in position to mobilize all its resources to aid industry in every way possible in its reconversion program and to find jobs for returning veterans.

Already the Department of Labor has moved swiftly to stop the employment of women and children for long hours, which was necessary for peak wartime production. Our Unemployment Compensation fund of \$440,000,000 is perhaps the strongest in the country relatively, and technicians have advised that it will be more than sufficient to meet all legitimate unemployment claims. However, it is imperative that the Federal Government make available immediately additional funds for U.C.C. administration, so that the additional personnel and equipment required can be put to work to process the increasing number of claims without undue delay.

The suggestion from some labor czars that the State of New Jersey should advance its own funds to meet this Federal responsibility is completely without merit. In the first place, New Jersey employers contribute \$6,000,000 annually to the Social Security Board for administrative purposes through the U.C.C. tax, yet in this State we get back only \$1,300,000 for such needs. Therefore, I intend to support to the limit the request by the U.C.C. for approximately \$1,000,000 additional for administration.

Through careful husbanding of the State's financial resources throughout the war, we are in a position to undertake immediately a public works and highway construction program without the necessity of calling the Legislature back before its

regular session next January. Bids for some of these projects will be invited without delay.

The Highway Department has \$4,900,000 available for immediate construction in the Federal-State Matched Aid program and another \$4,600,000 is available immediately for County-Municipal maintenance and construction work. Another \$8,000,000 is available for continuing our pre-war railroad grade crossing elimination program. Architects have been selected and are preparing plans for a new State Office Building estimated to cost \$5,000,000 so that they will be ready for submission to the Legislature in January.

Let me repeat, however, I see no reason why the State should embark on a lavish public works program at a time when the government would be competing with industry for labor and materials. New Jersey had widespread industry before the war and there is every reason to expect that the basic industries will be in position to return quickly to pre-war civilian production.

Only yesterday I noticed that the Federal Government, through its Surplus Property Board, announced that 175,000 workers can be employed in New Jersey alone by the conversion of government-owned plants in the State. These plants, according to government figures, cost about \$300,000,000.

I trust the Federal officials will follow through with this program, as the State has no authority to control such conversion.

Our Department of Economic Development already has undertaken a survey among New Jersey industrial concerns to give preference to employment of veterans. Through our Division of Veterans' Services and our \$5,000,000 guaranteed loan fund to establish veterans in business or professions this administration will concentrate on finding and providing regular productive work for servicemen, which will be of far greater value to them over the years than any cash bonus hurriedly dissipated, but which would result in increased taxes for future generations.

It is natural to anticipate a tremendous expansion in peacetime aviation. However, the aviation industry, like its automobile counterpart, should stand on its own feet. If municipal governments or private industries build airports close to centers of population, I have been advised by competent authorities there is every reason to believe they can be operated without expense to the taxpayers.

On this basis, there is no need for the State to build airports or to subsidize aviation. It is imperative, however, that the Federal military authorities keep intact the chain of airports developed during the war, and return as many of them as possible to the municipalities where they are located so these communities will be in position to negotiate with air line organizations for the use of these modern airports. This should be only a part of the general program by the Federal Government of restoring to the tax ratables many of the vast parcels of land taken over during the war for military purposes.

In carrying through post-war plans the State will work very closely with county and municipal governing bodies, and invites the most direct co-operation in order that overlapping be eliminated.

Likewise, every effort will be made to proceed in harmony with Federal plans so that proper advantage can be taken of Washington's announced comprehensive program. The State, however, will endeavor to be prepared to fill in gaps if they materialize.

On this basis, let us all work together on the assumption there will be no depression. In other words, don't start off with a defeatist attitude, aided by self-appointed propagandists, who have a new cure for every ill if all the old and heretofore successful remedies are discarded.

