

Fifth Annual Message
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Fifth Annual Message

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

Just a year ago, as this Legislature was beginning its work, I offered it a respectful challenge. The words were plain, the responsibility clear. I said: "Together you and I can redeem the past . . . Together we can write the laws and programs New Jersey wants and expects . . . Together we must seek those common revenues to move this State forward."

And, together, as colleagues in government, we did all those things and more. Any man who contributed can be proud to stand on that record and go to the people.

In meeting its challenge, the 1966 Legislature wrote, not just for today, but for future generations, one of the most remarkable records of public accomplishment in the 300-year history of the Garden State.

It is a record which speaks eloquently for itself and deals with every essential area of human concern. Your achievements are unparalleled in education, from the grade school through the community college to the university and the new Department of Higher Education, in transportation, fiscal reform, public health, water and air pollution control, gun control, law enforcement, consumer protection, the arts, industrial development and business tax reform, the most significant package of labor laws in recent history, economic policy, control of dangerous drugs, community affairs, civil rights, capital planning for colleges and institutions, aid to the handicapped and the unfortunate, reapportionment and congressional redistricting . . . the list is long and highly creditable. Compassion was matched with wisdom, and the public interest was served well.

There were differences between us, some which seemed at moments to be insurmountable. Yet, together we overcame them as public men should. There was partisanship, healthy and strong, as we would expect from a vital two-party system. Thus, on the overriding issues of paramount public concern, many Democrats stood with many Republicans for joint action—and we are proud of those instances when the public interest overrode partisan interests.

Without a doubt, this Legislature will rank in our history with New Jersey's best, for your actions, for your political courage, for your acts of statesmanship and for your vision of the high quality of life which can be attained by a modern state.

Much of New Jersey's accumulated neglect and inaction was attended to in 1966 by the great accomplishments of that year. As we open this new legislative session we turn to newly projected problems and responsibilities.

Nineteen sixty-seven will be a time of implementation, of program evaluation, of judgment as to how far we have come and how far we still must go. Some of our remaining tasks will be clearer, while other proposals will require careful review before sound judgments can be rendered.

But in at least two areas the pressures of modern life present a clear mandate to act—for pollution control and increased consumer protection.

AGAINST POLLUTION

We are beneficiaries of a great natural heritage in New Jersey, but we have too long taken for granted the environment which has sustained us—the air we breathe—the water we use. We have done this seemingly because these things are free for the taking. To our regret, we now know that we have, in fact, paid a high price for misusing these precious resources. Many of our rivers and streams are polluted and our air is becoming poisoned.

If we continue this abuse of nature—the pollution of our air and water—in careless disbelief that our environment can be destroyed, the future will be a most unhappy one. But with

determination and firmness of purpose we can atone for our past history of waste. The streams can be clean again and the air much cleaner if we are willing to make the effort. This must be a massive effort, not only in dollars, which will be many, but in the marshaling of public support for a comprehensive program with rigorous enforcement.

As to water pollution control, we have already made a start. Last year, you, the Legislature, supported my request for full funding of the State Public Sanitary Sewerage Facilities Act of 1965. This law established the concept of State financial assistance for the planning of intermunicipal, regional and stream valley sewerage facilities. With the funds provided, this has already stimulated and aided the development of 20 crucially important regional pollution control engineering plans, some ready for immediate construction.

The State Health Department is now in the process of classifying our streams and establishing water quality standards in these waters. In four of our basins—the Raritan, the Hackensack, the Passaic, and the Hudson River—Arthur Kill and its tributaries—the classifications have been established and regulations on the treatment of waste water promulgated. This foundation will permit us to take advantage of the programs provided by the Federal government under the Federal "Clean Waters Restoration Act of 1966."

Much more remains to be done. For survival, we must establish a construction grant program which, in combination with Federal funds, will make it possible for our local governmental agencies to build proper sewerage and sewage treatment facilities. We must expand our water pollution control staff to permit more technical assistance to our communities and our industries—to permit more rigorous enforcement of our statutes. The present staff of 36, while comparatively better than that in most other states of the nation, cannot cope with even half of our minimum needs. No pollution control program can function without adequate manpower. To meet the problem will require more than a mere increase in authorized strength. We must reorganize our effort and support that reorganization with a comprehensive

program of recruitment and training. Legislation to carry out these proposals will be submitted to you during this session.

The situation with regard to air pollution control is strikingly similar—and just as alarming. Meaningful action was taken by this body last session. Chapters 15 and 16 of the Laws of 1966 empowered the State to undertake direct action against pollution caused by motor vehicles. Before we can implement this legislation, it will be necessary for an appropriate test system to be developed. With the help of the Federal government, such a test system is being developed and soon we can expect motor vehicles licensed in this State to comply with the appropriate standards. This being done, New Jersey will be a leader in the field with such an anti-contaminant system built upon the foundations of our already existing, and excellent, automobile inspection system.

In spite of this affirmative record, further action is needed. Here, too, we should reorganize our existing control program and staff it adequately through vigorous recruitment and training. The role of the Air Pollution Control Commission is now under reexamination and I expect to make specific recommendations to the Legislature in time to consider such proposals this session.

In order to strengthen our enforcement of air pollution control measures and to reach persistent violators—as well as to illustrate again our determination of purpose—I shall also submit a proposal to increase the maximum fines from the present \$500 to a substantially larger amount. I expect to submit specific recommendations also as to the licensing of those active as incinerator operators. Authority should also be given to municipalities to adopt ordinances which are consistent, but which may be, depending on local circumstances, more strict than those of the State itself.

The Department of Health of New Jersey should be given the power to require new plants to submit plans and specifications of processes producing, or apt to produce air contaminants, together with specifications of the techniques to be provided to avoid such contamination, before construction can proceed.

In these efforts to preserve our environment we enjoy the cooperation of our neighboring states. A continued multi-state effort is being actively pursued through such vehicles as the Middle Atlantic Governors Conference and the Delaware River Basin Commission. This is all to the good—but we must constantly recognize that the basic responsibility is ours. To clean up New Jersey's environment requires New Jersey action. To support the idea of regional cooperation, however, this Administration, as a matter of policy, will keep our sister Middle-Atlantic States informed of our new legislation and enforcement techniques as they are adopted.

PROTECTING THE CONSUMER

Our concern for the public's well-being should not stop with new and stringent anti-pollution measures.

We have long known that State government cannot permit Caveat Emptor—let the buyer beware—to be its policy in the area of consumer affairs. The nature of today's economy—in which so many of our daily necessities are prepackaged, prepared by remote suppliers and distributed through intricate channels of commerce in a manner that often defies comprehension—requires positive and meaningful programs by government to protect every citizen in his pursuit of the goods and services he needs.

In recognition of this responsibility, in 1960 the State established the Bureau of Consumer Fraud in the Department of Law and Public Safety to investigate and prevent unfair selling and advertising practices. In 1966 alone this Bureau received 4,139 new consumer complaints. In addition, it conducted 1,671 personal interviews and 40 hearings which enabled the Bureau to secure refunds to many defrauded consumers.

Since its creation the Bureau has voided hundreds of fraudulent contracts which resulted in the cancellation of millions of dollars in contracted value.

The success of this program merely highlights the extent to which further action is required. Lately, there has been much

discussion about the creation of the office of ombudsman. Although the ombudsman is concerned with the activities of government, much of the interest in this proposal, I believe, is centered around the people's need for a more effective spokesman and defender in the area of consumer activities. It is in this area that the greatest immediate needs exist.

I, therefore, urge the Legislature to create the Office of Consumer Protection within the Department of Law and Public Safety. This office, under the supervision of an executive director, would have as its responsibility the receiving and processing of all types of consumer complaints and would administer the operations of the Consumer Fraud Bureau. It would be an agency to which any consumer could go for a review and consideration of his particular problem and its executive director would be the individual in State government who would have the continuing responsibility to resurvey from time to time our consumer protection laws and administrative practices to determine what further changes may be required. The office would act as the coordinating agency on consumer affairs for not only its own operations, but also the Division of Weights and Measures and certain agencies in the Department of Banking and Insurance and other departments which are charged with the responsibility for protecting citizens in their everyday business transactions. Such an office will provide all our consumers with an effective "one-stop" protective unit for safeguarding their legitimate interests.

To insure maximum enforcement in this area, I will recommend in my budget message that additional funds be provided to this agency to increase the legal and investigatory staffs assigned to the Office of Consumer Protection.

As a part of this proposal, I will also recommend the creation of a Citizens Advisory Council, consisting solely of representatives of the public, to advise the Office of Consumer Protection of any changes which may be required, from time to time, to improve further the effectiveness of the office. Legislation regarding this and other proposals on this subject will be presented to you shortly for your consideration.

In light of the recent increases in the cost of certain types of insurance, particularly health insurance which is so significant that it is discussed separately, the time has come when the consumer must be assured that future rate increases are fully justified by circumstances. I can conceive of no better device to achieve that end than the utilization of something comparable to the rate defender system which has worked so effectively with public utilities. I have already announced the appointment of an attorney to protect the public interest in connection with the pending Blue Shield request for a 25 per cent increase. This Legislature should consider the advisability of legislation requiring that a public defender be designated in every case where general increases are sought.

The Attorney General's office is also preparing legislation to improve many of our existing laws designed to protect the purchaser. Some of these, all extremely important, are the revision of our weights and measures law, proposals to regulate cemetery operations and amendments to the security and real estate laws. Recommendations will be made for legislative consideration this session and will warrant your careful attention.

THE QUALITY OF HEALTH PROTECTION

No discussion of consumer affairs can be complete without a reference to the cost of health services. The great increase in the past two decades in the cost of hospital and other health services has caused great public concern. While the general cost of living was going up 39% during the period since the end of World War II, the cost of hospital care has more than tripled. In 1948 a day of hospital care cost \$13.09. In 1965 the price of a day's care was \$44.48.

A large share of the burden created by this cost spiral has fallen on subscribers to the Blue Cross Plan. Since 1956 subscriber rates have risen six times for a total increase of over 100%. At present, there is pending before the Commissioner of Banking and Insurance a request from the Blue Shield Plan for a 25% rate increase. Each succeeding increase has resulted in greater public dissatisfaction, until it is obvious that steps

must be taken to maintain public confidence in our public and private hospital systems.

At the end of 1965, I appointed a Committee composed of eminent representatives of the health professions, of organized labor and of insurance and consumer groups to study the question of Blue Cross rates. At the time, I expressed a desire that the Committee complete its work by the beginning of 1966. I now realize that I imposed an impossible time limitation on the Committee. Its work is now complete and I wish to thank the members for their tireless efforts and for the fresh and meaningful recommendations which they have made.

The Committee has concluded that much of the increase in cost is attributable to improved health services and to a greater awareness of and desire for those services on the part of the public and that if those factors were fully understood the outcry over rate increases would be lessened. Yet, the Committee also believes that it is possible to assure a more effective and economical use of money allocated for hospital care. Several wasteful practices have been identified and the Committee concludes that they are a result of a lack of a powerful agency having general supervisory responsibility over hospitals. It proposes that such an agency be established.

I have asked my staff to consider how best the foregoing recommendation and others contained in the report might best be implemented. It is my hope to propose for your consideration legislation which will provide the people of New Jersey with the assurance that for every dollar spent on health care a dollar's value is returned.

State government's role in the health field, however, in the coming years will not be limited merely to regulating health insurance plans such as Blue Cross. By reason of Title 19 of the Social Security Act adopted by Congress in 1965, the State, acting independently or through an intermediary, must soon become a provider of additional health services. Title 19, or *Medicaid*, as it is more commonly called, has as its ultimate goal the providing of basic health services for every American citizen regardless of age and regardless of financial circumstances.

Unlike the better known Medicare program, Medicaid, will require a substantial financial investment by State government. In recognition of the impact which such a program would undoubtedly have on the already strained financial structure of State government, the Congress gave the states five years in which to implement the program and further made provision for a step-by-step approach to the ultimate goal. The five year limitation expires in 1970. We in New Jersey should not ignore the invitation implicit in the federal law to move with deliberation. We should, however, move with the benefit of sound planning, fully aware of the financial consequences, toward the establishment of a fair and equitable program prior to the beginning of 1970. The Department of Institutions and Agencies has undertaken a comprehensive review of our obligations under the 1965 amendments of the Social Security Act. This Administration and the Department of Institutions and Agencies are concerned about implementation in New Jersey of the 1962 Amendments to the Social Security Act which provide benefits to the children of unemployed fathers. Both of these programs must be implemented within the next several years.

IN BEHALF OF THE HANDICAPPED

In 1965, the Department of Institutions and Agencies provided services to 425,000 of our fellow citizens in need of psychiatric facilities, mental retardation services, corrections and welfare. To service this growing number of New Jersey citizens in need of help, its Department has been developing long-range plans that will enable us to meet the human needs of our population.

The capital construction program for mentally and physically handicapped is proceeding apace. We shall make every effort in our new capital budget to meet demands, within our very tight fiscal situation. The new State School at Woodbridge for the Mentally Retarded, opened almost two years, is today at capacity. Bids will soon go out for a similar institution in Hunterdon County. Plans are moving forward for a series of local community mental health centers. The private purchase of care programs for the retarded, instituted over two years ago,

has already succeeded in reducing some of the pressures on our own institutions. I hope to include new funds in the forthcoming budget for a beginning in a Day Care Center program thus freeing the families of mentally retarded children for participation in the labor force, or for increased attention to other elements of family life.

Professional services have been upgraded in the Division of Mental Health and Hospitals through selective salary increases for psychiatrists, doctors, psychologists, nurses, etc. Pilot programs of intensified vocational training for inmates in prisons and juvenile institutions are being undertaken, stressing preparation of rehabilitated prisoners for a return to community life.

Yet, we still face a series of unresolved problems, some of which will involve money, others which require organizational change and bold ideas.

Coordinating means are needed for long-range planning of efforts in both mental retardation and mental health.

There is a disturbing and often tragic problem of fees charged to families for life maintenance of mentally or emotionally handicapped persons, especially children, in state institutions. The gross inequities among counties which have been reported makes this both a problem of conscience and of economics. I am now reviewing recommendations made by the Department of Institutions and Agencies, and I shall make legislative recommendations this year to help these families achieve an equitable and human solution to this problem.

The problems in institutions of staff shortages must be faced, and this is not just a question of money. It is a question of in-state preparation for the trained professionals and sub-professionals needed. I recently said that I hoped the two new publicly supported colleges of medicine in our State would in their development prepare the specialists needed for our institutions. And I shall request the new Commissioner of Education and the Chancellor of Higher Education to work with the Department of Institutions and Agencies toward the establishment or

expansion of educational programs designed to meet some of the State's professional institutional needs.

And finally, a complete restructuring of field services is being proposed of the Department of Institutions and Agencies into single integrated regional units in which all social services would be combined, and through which both economic efficiency and a greater degree of service to the citizen would be achieved. This reorganization envisions regional welfare service centers as integral parts of the new Model Cities programs—which could yield New Jersey millions of Federal dollars over the next several years.

IN DEFENSE OF THE INDIGENT

On March 7, 1966, the Supreme Court held in *State v. Rush* that attorneys assigned to defend indigent persons accused of crime are entitled to receive moderate compensation for their services and that counties had a duty to pay such compensation to attorneys so assigned after January 1, 1967.

In delaying the effective date of its ruling, the Court recognized that the Legislature would need an opportunity to determine whether the State's obligation to defend the indigent should continue to be met by the traditional system of assignment at the county level or whether a state administered public defender system would better foster the ideal of equal justice under law.

Having studied the report of the Commission on the Defense of Indigent Persons Accused of Crime, I have come to the conclusion that the defense of the indigent in a court of law can best be assured through a State administered and State financed public defender system. I will be submitting recommendations for the creation of such a program in the near future. It should be pointed out at this time that, according to the commission, this program will cost the State more than \$2 million annually. This expenditure, coupled with an additional \$2 million burden which the State will be assuming for the counties in the administration of the revised Chapter 51 laws, are the results of a determined effort by the State government to do everything it possibly can

to be of assistance to our counties within our budgetary limitations. In all candor, I must admit that further proposals requiring additional expenditures in support of county programs must be accompanied by realistic recommendations which would provide the additional revenues to enable us to meet such obligations.

SAVING HUMAN LIFE

As was true in almost every area of governmental activity, last year you took meaningful steps to improve our laws concerning the operation of motor vehicles. The enactment of the implied consent law and the driving while impaired legislation will give our law enforcement officials two strong tools with which to improve motorists respect for life and property.

The great toll exacted through the use of motor vehicles in New Jersey, however, continues to rise, reaching 1,118 in 1966. This was 23 more than the previous year. Preventive action is as essential as law enforcement efforts. I have therefore requested the Department of Law and Public Safety, in conjunction with the Department of Education, to develop a meaningful driver education program which can be placed before this body for its consideration during the present session. I would hope that such a proposal will receive your most serious consideration.

STATE MEDICAL EXAMINER

There is a need for a critical reappraisal of the present system in this State of conducting post-mortem examinations, particularly in cases which suggest death by suspicious origin. This involves information which may be vital to criminal prosecutions and to the control of disease. Only a few of our counties have adequate medical examiner systems. A type of statewide medical examiner system would resolve these inadequacies and again would serve the public interest. I have asked the Attorney General to submit a report on this matter so that we can consider legislative action in this area during this session.

TOWARD EQUALITY

Nineteen sixty-six will be remembered as the year when partisanship and emotionalism were laid aside and the latest comprehensive civil rights laws were adopted by New Jersey, giving us one of the strongest and far-reaching civil rights statutes in the United States:

The expanded fair housing act—long overdue—was passed and now prohibits discrimination in the sale or rental of almost all private and public housing in this State.

The extension of the employment provisions of the law against discrimination to cover virtually all employers—regardless of number of workers—has brought under the legal protection of the State the equal employment rights of additional hundreds of thousands of workingmen and women.

The transfer to the Attorney General of enforcement responsibility for discrimination on public works projects was another indication that this Legislature is determined to foster aggressive legal protection for the equal employment opportunity of minorities.

Not content with legal guarantees alone, this Legislature appropriated considerable funds last year for an expanded enforcement program of the State's Division on Civil Rights. The result has been greater State emphasis on correcting *patterns* of discrimination in addition to compliance on complaints. Increased cooperation with the Federal government brought us new Federal funds for civil rights surveys. Our police community relations education efforts almost tripled in size, and by quadrupling its caseload in only four years the Division on Civil Rights has moved closer to the goal of becoming both a shield for protection of rights and an aggressive instrument for their realization.

But, as I have said many times before, the law is only one of a number of important factors which contribute to possible civil rights solutions today. We must extend our ideas beyond legal

guarantees to the creation of opportunity, and the means to fulfill it, for many New Jersey citizens too long denied an open door into society.

Last year I announced the creation of the Interdepartmental Committee on Equal Opportunity to be headed by the Attorney General. That Committee has functioned throughout the year and has performed a substantial service in recruiting qualified members of minority groups for State employment. The practice of ethnic recruiting is novel but is completely justified in light of the long years of deprivation which have been visited upon certain minority groups. It is a practice which is being emulated by private industry and institutions of higher education. The State must continue to devise ways by which people—too long excluded—are brought into the main stream of American life.

The question of de facto school segregation continues to plague us. It has long been the policy of this administration, as enunciated by the former Commissioner of Education, to seek the elimination of de facto segregation wherever possible. A similar commitment to quality education for all, regardless of race, is desired in the new Commissioner of Education. I am now actively seeking a person who will bring dedication to that goal, together with new approaches and techniques for its achievement, to serve as Commissioner of Education.

EDUCATION—OUR COMMITMENT TO EXCELLENCE

In 1966, this Legislature gave massive attention to the State's educational problems. You allocated the greatest single increase in State aid to local education in the history of New Jersey. You created a new Department of Higher Education to concentrate on the almost frightening responsibility of bringing higher education in New Jersey to a degree of excellence, in years in which the demands for college education will be very difficult to meet. You appropriated a substantial increase in the State's support to the education of the handicapped and emotionally disturbed children. You invested additional millions in a substantial increase in the State's contribution to the success of our community

college program. These were but some of your accomplishments, and you should be proud of them.

New Jersey is committed, and you have shown your commitment, to the goal of providing each individual with an education which will insure his development as an effective and productive member of society.

The attainment of this goal is a formidable task. New programs must be designed and present programs expanded to meet the needs of the pre-school child, the child in school and the school dropout; the handicapped and the disadvantaged; the under-employed and the unemployed; the college-bound child and he who will become a technician; the adult illiterate and the unskilled person who has no hope without education.

State and Federal appropriations have made possible the rapid expansion and improvement of vocational and technical education programs. Enrollments have more than tripled for secondary and post-secondary youth and adults in the past three years. Cooperative vocational education which provides school and work experience for high school students has been assisted by more than 4,000 New Jersey companies in providing training stations in more than 130 different job classifications. Six multi-occupational skill centers have come into operation. Over 15,000 students who were not enrolled in vocational education a year ago are now receiving education and training for employment in more than 350 pilot projects.

Effective programs of vocational education and training are being provided in comprehensive high schools, specialized county schools, skill centers, technical institutes, community colleges, private trade and technical schools, and private business and correspondence schools. A State master plan for vocational education is being developed.

Because of the great changes in the law last year and the necessity to appoint two new heads of our educational departments, for whom I am still seeking the very best men available, I am not now presenting detailed recommendations concerning the general educational needs of the State. But they are there and they are real and they are massive, as everyone in this State now

knows. I believe that the new Commissioner and new Chancellor should have an opportunity to be appointed and to consider their respective departments before other substantial changes are proposed. My budget message, however, will contain specific recommendations concerning financial support for our educational programs, particularly those concerned with the capital construction of higher educational facilities.

However, there are some programs which do warrant prompt consideration by the Legislature. As you know, I have been concerned about the critical shortage of nurses in New Jersey and have in the past made several recommendations to help alleviate this shortage. For example, previously we expanded the State nursing program to include nursing students. I believe, however, that the State must participate more directly in the cost of nursing education, as it already has done in the area of medical education. Although the need for nurses will be met in part by newly established nursing education programs within the community college system, this program will not have full effect until some few years from now.

In order to better meet our immediate needs and to assure New Jersey a continued supply of trained nurses, I will submit a proposal to create a State aid program for hospital nursing schools which would provide funds for one-half the cost of nursing education up to \$600 as we now do in the community college program. I am hopeful that this degree of State support will encourage our hospital nursing schools to remain open and perhaps enlarge their facilities, thus insuring a continued or improved supply of skilled nursing personnel from this source.

Another program which should be undertaken this year would provide State aid for transportation of students of private schools whose residences are remote from those schools. Many other states provide such transportation and, considering the dangers implicit in modern travel, there seems to me to be little logic against such a program. Indeed, a deep concern for the physical well-being and safety of our boys and girls of school age would seem to support such a program. I would strongly recommend its early enactment by this Legislature, to add yet another achievement to its brilliant record in the field of education.

SERVING OUR COMMUNITIES

No public business is more pressing than the need to improve the quality of life in our urban areas. This Legislature, rising again to its task, joined us in the establishment of a new state-level Department of Community Affairs which will act as a central service organization for New Jersey's 567 municipalities. We also expect it to be a self-generating agent of reform and innovation in fiscal planning, local government, economic opportunity, human resource development, and housing and urban renewal.

We already have in operation an expert task force designed to help New Jersey cities respond to the newly passed Federal Demonstration Cities and Metropolitan Assistance Act. This group is the forerunner of the technical assistance teams which will be a major part of the new department and which will help municipalities throughout the state to take full advantage of new and existing state and federal aid programs.

In 1966 you courageously adopted an optional municipal rent control law to curb slums and save individuals from rent gouging on deteriorated and dilapidated dwellings. In 1967, you will be asked to approve the establishment of a New Jersey Housing Finance Authority which will be empowered to foster the construction of moderate-income housing through low-interest, long-term loans. The State Bureau of Housing estimates a current shortage of 100,000 units in moderate income housing, of which private enterprise provides only a portion annually. We believe that such a moderate-income authority would make inroads into our housing supply deficit; that it will be beneficial to urban areas now trying to retain or attract middle-income residents; that it will economically benefit the housing construction industry and the real estate community; and that it would be valuable to the entire state which must offer new and established residents the opportunity for a decent home in a decent neighborhood.

The approval of this proposal would fill a serious gap in New Jersey, for while there are Federal programs geared to meet low income needs, there is no such program to serve the demands for moderate income housing.

If we want a revival of our cities, then the State will have to make some financial contribution to the local cost share of urban renewal programs. We shall introduce legislation in this session to make that beginning possible.

A revision of the Tenement House Law will be introduced. This law has not been substantially amended since its adoption more than 60 years ago. It could now help insure that all multiple dwellings meet modern standards of health and safety. In addition, I expect to place before the Legislature other proposals relating to rehabilitation, housing and urban development.

Other programs of interest to urban areas already are being developed through the joint efforts of my Task Force on Adult Literacy Opportunities and our State Manpower Development Coordinating Committee. These specialized groups are comprised of officials from the State Departments of Education, Labor and Industry, and the Office of Economic Opportunity. They have proposed concrete and imaginative programs to meet the related problems of adult illiteracy and unemployment in a comprehensive fashion, primarily utilizing federal resources.

The Manpower Committee will soon be headed by the new Commissioner of Community Affairs. His department, in cooperation with the others, will establish "opportunity centers" in the most concentrated areas of poverty in New Jersey to provide intensive prevocational training, counseling and medical services. These centers will once and for all tie together all of the relevant State, local and Federal agencies involved in manpower training. By including new programs to combat adult illiteracy, they will help eliminate one of the major stumbling blocks to even the most preliminary attempts to train individuals for employment.

The new Department of Community Affairs also will continue and expand the human resource development activities of the present Office of Economic Opportunity.

TRANSPORTATION—A NEW PERSPECTIVE

With the establishment of the new Department of Transportation, the state must now be prepared to reappraise the approaches we have been taking with regard to New Jersey's transportation problems—problems that in many instances are more complex and costly to resolve than anywhere else in this nation.

The Legislature has mandated that the Department produce a master plan for transportation and work on this project will be carried forth as promptly as possible. In the meantime, however, neither the Department nor the State can afford to await the completion of a plan which may take some time to produce. There are immediate pressing problems which must be confronted and resolved.

One of these problems concerns the Central Jersey Expressway. The New Jersey Highway Authority cannot fulfill its commitments with regard to the Expressway project unless the Congress will permit the Authority to purchase the free sections of the Garden State Parkway and to impose tolls in that area. The Task Force for the Central Jersey Expressway and I will endeavor to determine as quickly as possible whether the Congress will approve this essential request of the state. If Congress will not act, the Central Jersey Expressway proposal will have to be reappraised. In such an event, the Department of Transportation will be requested to submit a report promptly concerning the alternatives which would then be available to the State so that this essential road project can be carried to a speedy conclusion.

The creation of the new Department also focuses attention on another long delayed project of great importance to the State of New Jersey—the fourth jetport for the metropolitan New Jersey-New York area. The first public recommendation for such a facility was made in 1959, nearly eight years ago. The latest report of the Port of New York Authority on the jetport was released only several weeks ago and we are no nearer agreement now than we were then.

Because of the overwhelming importance of this major facility to the commercial and economic well-being of the entire region, I have directed the Department of Transportation to undertake a resurvey of this entire problem in the hope of coming up with alternative proposals which could pave the way to an acceptable solution. I do not know whether any such solution is attainable. In the final analysis, however, the people are entitled to know whether this facility will be lost to the area because of the lack of a suitable site and the consequences that will occur in such an event.

The new Department's activities encompass also the State's rail and mass transit responsibilities. Our efforts in past years have been substantial in this regard and have been growing at a rapid rate. During the next fiscal year the State will commit to the support of rail transportation nearly \$30 million by way of passenger service contracts, tax relief and capital improvements. The success of these programs is of the greatest importance to the State. If we are to have any hope whatsoever of improving the transportation snarl that blankets the northeastern section of our State and entwines nearly half of our population, we must look to mass transit solutions.

In this area the Tri-State Transportation Commission has assembled complete data on travel and transport providing us with a factual base on which the transportation needs to serve a rapidly expanding population can be programmed confident that we will qualify for maximum federal financial assistance.

In addition to specific projects under development, I have requested the Department to develop one or more pilot programs for application in the northeastern part of the State that will establish the suitability of mass transit as an alternative to automobile travel.

The Department is also continuing its efforts to improve suburban passenger service. Less than two weeks ago, the new Commuter Operating Agency was activated and a contract for nearly \$10 million was authorized for the purchase of 35 modern commuter cars which will improve the quality and character of

the passenger service being rendered on the Pennsylvania Railroad. This is but the first step in a program envisioning the purchase of 80 modern cars. The Commuter Operating Agency also recently authorized the filing of the final application with HUD for a \$30 million program to refurbish the New York and Long Branch Railroad. If Federal approval of this application is obtained, we can expect substantial improvement in our suburban passenger service within the next several years.

The Commuter Operating Agency has also authorized the holding of a public hearing with regard to proposals for an interim contract with the Erie-Lackawanna Railroad. This contract will cover the rendering of passenger service during the current fiscal period and will anticipate the continued negotiation of a long term contract of services on this most important rail line. The successful negotiation of these contracts is essential to a proper disposition of the Erie-Lackawanna's application for inclusion in the Norfolk and Western system.

The Department is also working with the Federal government, the Pennsylvania Railroad and our sister states in the corridor from Boston to Washington with regard to the development of high speed inter-city transportation. New Jersey will be a direct participant in this high speed program. These trains will stop in Newark and will also service Trenton and perhaps other stops in New Jersey provided the necessary adjustments to the local facilities are made so that these new trains can be accommodated. An appropriation of \$300,000 to prepare the Trenton station for such service will be submitted in my Budget Message next month. The Commissioner of Transportation, however, has indicated that the legislation establishing the new Department may be too restrictive in the manner in which it permits the Department to participate in the inter-city program. Most of the Department's responsibilities are limited to suburban transportation problems. Legislation to correct this technical shortcoming and several other aspects of the new Department legislation will be submitted for your consideration.

The highway activities of the new Department will also require legislative attention during the forthcoming session. Last year

the Legislature authorized an increase in the state aid program for counties and municipalities. Although this will be a continuing program, last year's special authorization did not go far enough in placing the overall program on a sound footing. The Department of Transportation has prepared a proposal for an overall state aid program funded with this additional revenue which would place our program of state support on a systematic basis. This proposal will warrant your prompt attention. The Department will also request approval of legislation to implement the provisions of the Federal Highway Beautification Act and the Federal Highway Safety Act of 1966.

The Department also urgently requires the enactment of legislation which will permit it to acquire, for highway purposes, entire parcels of property where it is not feasible to purchase only that portion within the right of way of the road itself. While these proposals do not have the scope of some of the items to which I have referred earlier, they are all essential to the proper functioning of the highway program and warrant your earliest attention.

FOR THE WORKINGMAN

More was done for the workingman during the 1966 session of the New Jersey Legislature than was accomplished during any comparable period in the history of our State. It has been estimated that the wages of more than 100,000 people were raised to at least a subsistence level by the passage of a broad and comprehensive minimum wage law. After years of neglect, the workmen's compensation law was revised guaranteeing a living level of compensation to those persons totally disabled and to the survivors of those persons killed in industrial accidents. Of equal importance, the workmen's compensation law was revised so as to assure that past neglect will not be repeated. This was done by tying workmen's compensation benefits to the cost of living.

In addition, a number of less important but still significant measures were adopted for the benefit of labor. For example, employees were protected against the indignity resulting from being forced to submit to lie detector tests as a condition of con-

tinued employment. Legislation was enacted to enhance the safety of railroad employees. A law was passed making an employer who willfully failed to make payments into a welfare fund a disorderly person. These measures and many more sufficiently characterize the solicitude of the 1966 Legislature for the dignity and well-being of working people.

Notwithstanding the accomplishments of last year, there still remains unfinished business. Two problems important to labor and to every citizen of this State are under study. The Commission to Study the Workmen's Compensation Law and the Public and School Employees' Grievance Study Commission will be giving serious consideration to these important areas.

Two changes in the above-mentioned minimum wage law will be in order during this session of the Legislature. First, it will be necessary to include a two-year statute of limitations on back wage claims. Further, the protection against disastrous back wage claims should be given to employers who, in good faith, rely on administrative interpretation of the law only to find that such interpretations are invalid. Neither of these changes would impair the effectiveness of the minimum wage law. They would, however, assure that all sectors of the economy are treated fairly.

It is clear that if New Jersey is to continue to occupy its position of preeminence among the states in its concern for basic human rights, some steps must be taken to improve the condition of farm laborers. I have already publicly announced that it is my intention to ask this Legislature for legislation abolishing the Migrant Labor Board and vesting its functions in the Department of Labor and Industry. The existing law has a built-in potential for a conflict of interest and I now request the necessary legislation to change that law. I have appointed a task force composed of members representative of the various groups concerned with this vital problem. If out of their study it appears that further legislative action is necessary, the Legislature will be so advised. Further, I am requesting that the money allocated in the budget for the Migrant Labor Board be substantially increased to provide the kind of enforcement which is so obviously needed for the protection of farm workers.

Another item of unfinished business to which the Legislature should address itself is the much-needed revision of the unemployment compensation law. Last year, such a revision was introduced and that measure should be re-examined to ascertain whether any changes are necessary to facilitate its passage in the coming Legislature.

While the services available to the handicapped people of the State have already been greatly expanded, it is necessary that we continue to do everything possible to assure that these unfortunate people do not want for a future of productivity and dignity. Our present New Jersey Rehabilitation Act needs amendment to conform to the new Federal legislation and I will present such a measure for your consideration in this legislative session. Finally, it is my hope that the Legislature will favorably consider the proposals which will be advanced to strengthen the various laws governing employee and public safety.

ECONOMIC GROWTH

The foundation for New Jersey's prosperity must continue to be a viable and growing industrial structure. This administration has taken a number of important steps to enhance New Jersey's attraction to job-producing industry.

Last year you authorized a program of State assistance for economic feasibility studies on behalf of prospective industrial citizens of New Jersey. Most important, you revised the entire structure of business personal property taxation so as to achieve stability and predictability through State assessment and collection of these taxes for later reimbursement to the municipalities. Under this new program, business continues to bear its fair share of the tax burden, no municipality stands to lose a single tax dollar, and the danger of a sudden damaging jolt of "tax lightning" is removed.

But there remain further opportunities for improvement. We are examining the present State business tax structure—in relation to the systems of other states—with a view toward removing

tax inequities that remain between companies located in New Jersey and out-of-state firms doing business here. Our hope is to make New Jersey even more attractive to companies that want to locate their headquarters and manufacturing facilities within our borders.

From time to time in the past I have drawn your attention to our restrictive laws relating to branch banking. Our present laws, formulated many decades ago, have so handicapped our New Jersey banking system that it is inadequate to properly serve our large, new and expanding industries. Such major industries are forced to turn for their credit needs to money centers outside New Jersey and necessarily maintain corresponding deposits in those areas. These deposits are thus not available to promote the economic well-being of New Jersey. This is a serious problem that became even more critical in the past year of tight money. The subject has been thoroughly discussed, legislation has been presented, and public hearings have been held. The New York Federal Reserve Bank, our own Banking Department and others have indicated the need for a change. I urge that the Legislature delay no further and act early in 1967 to alleviate this most pressing situation.

DEVELOPING OUR PORTS

Public hearings have now been concluded by the Joint Legislative Commission studying the facilities for consolidation of the South Jersey Port Commission with the Delaware River Port Authority.

At issue is the method by which the port facilities on the Delaware River can best be developed. For some time we have been considering whether these port facilities could best be developed by the use of a number of separate agencies such as the Delaware River Port Authority, Delaware River Joint Toll Bridge or the South Jersey Port Commission and the like, or whether there should be one agency which should be responsible for port developing in the broader sense all the way from Cape May to Trenton.

It is my belief that this dialogue has served an important purpose in developing alternative approaches to the solution of the problem and also in heightening the public understanding of the need for port development. However, I think that the time has come for the dialogue to be brought to a conclusion, and I hope that you will give consideration during this session to appropriate solutions to the overall development of the port facilities along the Delaware River.

AGRICULTURE—PRESERVING AN ASSET

A happy combination of brisk trade and robust agriculture continues to be the source of great pride in New Jersey. One measure of this relationship has been our establishment, through the cooperation of producers and marketers, of self-regulatory programs which enhance the marketability of our farm products. At present, however, the programs are limited to a select few of our many commodities, and the mechanics necessary to secure their benefits for other producers are too involved. Thus, there is a need for legislation continuing the present system of commodity promotion within the tried and successful context of free enterprise, but establishing a unified program and a simple method for the admission of all producers who desire its advantages.

The achievements of American agricultural science are famous. In an age of sophistication, nevertheless, we depend upon the talents of many specialists to maintain and advance them. The services of such specialists, however, are not always available locally, and although there exists within the nation as a whole a vast pool of expertise, our efforts to tap this source have been frustrated in the past because statutes relating to public employment status have prevented the individual mobility of such personnel. The Federal government and a number of state governments have already taken steps to remove such obstacles. I, therefore, recommend that measures be considered to enable New Jersey to participate in such manpower exchanges.

Another problem which transcends state boundaries is the spread of plant pests. Frequently, such pests are present or

thriving in a state where they do no damage to local agricultural plant varieties but would menace the agriculture of other states should they escape. Although it is impossible to control the migration of such pests except by their eradication at the point of origin, there presently exists no way of inducing a state of origin where they do no local economic harm to destroy them. The Council on State Governments has proposed and the Secretary of Agriculture has endorsed a compact which would enable New Jersey to secure the eradication of pests beyond its borders which threaten its agriculture and to receive financial assistance to eradicate non-deleterious pests for the benefit of other states when requested to do so.

RECLAIMING THE MEADOWLANDS

For the past several years, I have called your attention to the potential value of the North Jersey Meadowlands—the last large tract of undeveloped land in the metropolitan New Jersey-New York area. During this period of time, certain essential studies were begun and these studies are now reaching a termination point. One has been concluded.

The Commission to Study Meadowland Development, headed by former Governor Meyner, has just completed a comprehensive supplemental report which makes specific suggestions regarding the solution of the title problem in the meadows and the reclamation and development of this area. I wish to take this opportunity to express my appreciation to this Commission for its efforts. Without doubt, their recommendations, as encompassed by their two reports, will be of great assistance in the preparation of a comprehensive legislative program for the meadows.

During 1967, the United States Army Corps of Engineers, which has been pursuing a review of methods to reclaim the meadows, shall be in a position to make suggestions regarding reclamation and possible cost allocations between Federal and local governmental agencies. The local land use plan, which is an essential element of the Army Corps study, is being prepared by the Division of State and Regional Planning in conjunction with the Meadowlands Regional Development Agency. This Division

has nearly completed several alternative proposals which must be reviewed and considered not only by the Army Corps of Engineers and State officials but also by the various local officials who will have to participate directly in any reclamation program.

It is therefore most essential that we all work together during the next six months to obtain a consensus on a local land use proposal so that we can then proceed to the next steps which will concern a consideration of how the cost of reclamation is to be satisfied and what type of agency or agencies is to be employed in order to carry out such a massive reclamation project. We are therefore at a most delicate point in this entire undertaking. The great promise of the meadows stands before us and I believe it can be realized in the immediate future. Our efforts, however, can be thwarted if we permit provincial considerations to predominate over the regional demands essential to a successful project.

For this reason, I am assigning to the new Department of Community Affairs full responsibility for supervising State efforts to develop a solution to the problems of the Meadowlands and to specifically review the suggestions contained in the report of the Commission to Study Meadowland Development as well as the conclusions of the other studies as they are made available.

A FISCAL REVIEW

Last session the Legislature, in a fine show of bi-partisan unity, responded to the needs of our local governments for increased State financial participation with the enactment of a broad-based tax. As a result of the revenue that was realized from the sales tax, State government for the fiscal year ending June 30, 1967 was able to allocate more than 75 percent of the estimated yield of this tax to local government needs. Nearly \$129 million in new aid was made available to our counties, municipalities and school districts.

In the budget which I will submit to you next month, a similar amount will be allocated for relief of local financial pressures.

As commendable as this development was, we must all recognize that the enactment of this new tax did not represent a solution to the long-range needs of State government itself. This is particularly true with regard to capital programs. I am, therefore, suggesting that the State Tax Policy Commission be authorized to undertake a prompt review of appropriate methods for financing essential capital construction programs for such essential needs as water resources development, sewerage construction, education—including a possible South Jersey Medical School—and the like.

In other states, the tendency has been to finance substantial capital programs, including highway construction, by the use of bonds. Through the use of self-supporting capital development agencies and authorities, many states have been able to finance necessary programs. In New Jersey, in the past, we have not been able to use this approach to any great extent. The creation of the New Jersey Education Facilities Authority last year, however, marks what may be a beginning of a change in direction. Certainly this aspect of the problem should be given most careful attention in any study that is undertaken.

The State Tax Policy Commission should also be requested to undertake a review of the State sales tax to determine whether any further improvements or changes should be made in this law. The Department of the Treasury is to be commended for the very efficient way in which this new tax was implemented on such short notice. I believe that the tax is working well and that it is as fair and equitable as any such tax in the nation. We will soon have a year's experience under this tax, however, and I believe that an experienced and impartial body such as the State Tax Policy Commission should review it thoroughly to see what further changes should be considered.

CONGRESSIONAL REDISTRICTING

Last year, in order to satisfy the requirements of the United States Constitution and rectify long-standing inequities in the apportionment of congressional representation, this Legislature

reorganized the congressional districts. Under severe attack in the courts, this plan withstood all constitutional objections except for three comparatively minor details involving variations in populational strength which could have been reduced. One of the first items of business in this session of the Legislature should be to adopt legislation meeting the Court's three specific recommendations.

THE JUDICIARY

We in New Jersey are justly proud of one of the finest judicial systems in the Country and our pride in this system is matched by our pride in the judiciary. We have attracted some of our best legal talent to this high calling, and this Legislature has aided this system by its recognition of the need to pay adequate salaries to attract men of high caliber and has provided an adequate number of judges to handle the burgeoning case load.

Despite our pride in the judicial branch, however, there is one area to which I would respectfully call your attention, for I believe that it represents an opportunity for substantial further improvement in the system. I refer to the possible integration of the Superior and County Courts. At the present time the civil list of these two courts are merged so that the judges are presiding in these matters in a fully interchangeable way. Similarly, although the criminal trial lists are separate, judges from either court can be used interchangeably here also. The judges of both courts receive the same salary and by the granting of the tenure to the county court judges after ten years, you have made even this facet of the judicial office practically the same. Despite all these similarities, however, we have over the years perpetuated a difference between the two courts which limits the flexibility in the use of these judges.

I would, therefore, urge you to consider a merger of these two courts so as to make all county court judges members of the Superior Court and merge the functions of the two courts. Such a move would give the system a flexibility that would permit the optimum employment of each judge for the job and the location in which his service can best be utilized. This would also insure that every county would have a Superior Court Judge sitting.

FOR FUTURE GENERATIONS: TOCKS ISLAND

Much concern has been expressed recently about the undesirable land development practices occurring in or near the proposed Tocks Island Dam and the national recreation area. In recognition of the extreme importance of this project, I created an interdepartmental task force on Tocks Island with representation from the various state governmental agencies which will have some involvement with developments in that area. This task force has been working on various proposals. Consideration is now being given to implementing the provisions of Chapter 143 of the Laws of 1966 which authorizes the Department of Health to impose restrictions on the types of sewerage facilities that can be constructed in certain critical areas of the State.

The task force is considering certain other proposals such as legislation to authorize the purchase of scenic easements and to permit the new Department of Transportation to exercise strip zoning powers along new sections of land service roads. Should the work on these proposals be completed in time, they will be submitted for your prompt consideration.

CONCLUSION

Much has been done this past year. A master plan has been written for New Jersey's human and material growth and development into the next century.

Those who felt that too much was done too soon may be consoled by the fact that the major outlines for a vital modern State have now been adopted and the resources provided to fulfill the promises of approved legislation.

This does not mean that everything was accomplished or that all expectations were fulfilled, even though the sum total of accomplishment was unprecedented in any legislative session in New Jersey history.

Nineteen hundred and sixty-seven will be a year of working programs out, of new efforts, of careful evaluation, and of matching available resources to pressing needs.

There are certain moments in the life of a State—as in the life of a person—when it can be said that a new beginning was made and a new course charted. For New Jersey such a year was 1966.

This new year, then, will be one of testing. It will determine whether we can carry out successfully the programs we have adopted. It will test our ability to act on still remaining areas of crucial human concern.

When this Legislature completes its work in the Spring, I believe we will be able to say with deep pride that 1966 and 1967 were years of giant accomplishment in New Jersey history; that we acted when action was necessary; that we remained true to our personal and political values; and that we placed this State on a solid foundation for future development.

RICHARD J. HUGHES,
Governor.

January 10, 1967.

Attest:

LAWRENCE BILDER,
Secretary to the Governor.