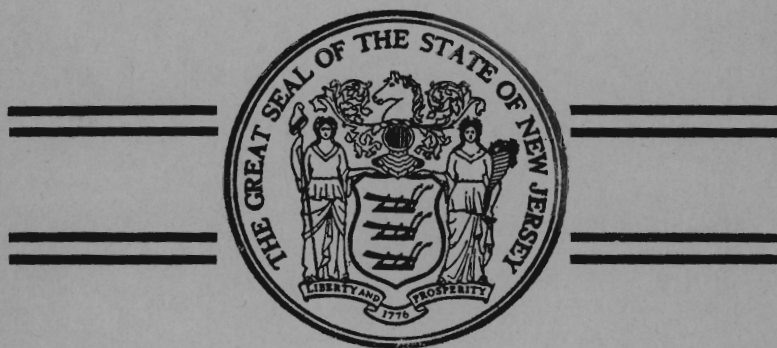


Second Annual Message
ALFRED E. DRISCOLL
GOVERNOR OF NEW JERSEY

To the Legislature
January 11, 1949



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Governor's Message

January 11, 1949.

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

In my Inaugural Message to the Legislature on January 21, 1947, you will find the statement that the watchword for the next three years would be "work." I expressed the hope that our work together would be "intelligent and productive."

Since that time we have moved forward on so many fronts that it is proper that we pause at the beginning of a new legislative year to survey the ground we have covered and the pathway that lies ahead.

Our concern has been the business of government—the strengthening of our democratic institutions in an age when our Republic is under strong attack from within as well as from without its borders.

We have sought together to restore confidence in government as the guardian of our rights and the servant of our citizens. In our recognition that most of our modern problems are social and economic rather than political, all of the members of the Legislature and the Executive have, to a degree unequaled in the history of this State, put aside petty partisan considerations in favor of the general public welfare.

We have worked shoulder-to-shoulder in our successful efforts to protect our civil liberties. We have sought to secure the inherent dignity of mankind by the elimination of discrimination because of race, creed, color or sex. The best evidence of the productivity of your planning is to be

found in Article I of the new Constitution, expressing the social, political and economic ideals of the present day in a broader way than ever before in American constitutional history.

Your action and the fine work of the Constitutional Convention have set in motion forces that have extended far beyond the borders of this State. We have acted while others have talked and in our action we have brought new hope to countless numbers of our fellow citizens who live in an atmosphere created by a fertile economy and yet are denied the opportunities of full citizenship and suffer the shame of cruel discrimination.

Together we have helped to make our judicial structure a shining example that other States are now eager to follow. By your action we have fortified the heart of our Republic, placing a sure, swift and friendly justice within the reach of all who need its protection. The legislative processes have been strengthened. The first phase of State administrative reorganization has been practically completed, and a solid structure has been established for the effective management of the Executive branch of our government.

Our social security program has been broadened and strengthened, and some 1,600,000 of our citizens are now insured against crippling loss of wages due to sickness or accident. Our workmen's compensation law has also been liberalized.

In contrast to those States that chose to ban the closed shop and thereby restricted collective bargaining in private enterprise, New Jersey sought labor-management understanding through the medium of the conference table and the creation of the Institute of Management and Labor Relations established in 1947 at the State University. The legislation creating this Institute and its subsequent work have been favorably cited by resolutions of national labor organizations, as well as by management, as a model to be followed by other States.

Our willingness to pioneer in legislation designed to protect the security of our citizens has been matched by an unwillingness to wait for a Federal hand-out before undertaking the State's obligation to support our school districts and municipalities in their efforts to provide an adequate education for our children and decent homes for our citizens.

We have recognized that, if we are to obtain and keep good teachers, we must be prepared to pay reasonable salaries. For two successive years the Legislature has progressively increased the minimum salary for our teachers. At the same time, the State has substantially increased State aid to the school districts for education. There is budgeted for this purpose for the current fiscal year, \$32,337,057.03, of which \$6,966,290.35 is allocated to the Teachers' Pension and Annuity Fund. This represents an increase of over 74% in State aid for schools budgeted during the past two years. We have also made a beginning on a capital improvement program for our State Teachers Colleges and University.

Few States surpass New Jersey in the percentage of citizens owning their own homes. What is more important, New Jersey presently leads the country in the production of rental housing units. Nonetheless, mindful of the need for truly low-cost rental housing for veterans, your State Government, in a friendly partnership with our municipalities, is now completing a \$50,000,000 veterans' housing program.* In proportion to the number of veterans, this program is the largest among all the States. It is interesting to note that the American Legion, in its convention at Miami, urged its Housing Committee to review the various State housing plans and endorsed in principle the New Jersey plan "which appears to have much merit" and would be adaptable on a national scale.

* The State has provided \$40,000,000 and the municipalities have contributed over \$10,000,000 in the form of sites, utilities and improvements.

Vast programs for the improvement of the commerce of the State; the development of an adequate State Highway system; better county and municipal highways supported by increased State aid; improved rail and air transportation facilities in North and South Jersey, as outlined in my Message a year ago, have been undertaken. Their initiation has been greatly aided by the co-operation of the Port of New York Authority, but their continued progress is dependent upon the strengthening of our newer interstate authorities, that is, those sponsored with the Commonwealth of Pennsylvania. These programs require and will receive our continued support.

Many of our activities have been directed toward improved public health and recreation. Citizen groups, as well as those professionally engaged in public health work, have commended the augmented services being rendered by the reorganized Department of Health. Our public recreational areas are being continuously enlarged and protected. New techniques of protecting our beaches against erosion have been developed during the past two years. Sportsmen, farmers and commercial fishermen have been provided new opportunities for the conservation, increase and control of fish and game for public recreation and food supply.

We have attacked the problem of law enforcement in many ways—the consolidation of all major State law enforcement agencies in a new Department of Law and Public Safety, the development of youth guidance programs, crime prevention activities, and traffic safety conferences. Our law enforcement agents, including local police, have been recognized and treated as members of an important profession.

During this brief period there have been many other State activities that have been closely related to the welfare of our citizens. State employees serving at our State institutions have, with few exceptions, been placed on an eight-hour basis—a reform long overdue. We have striven to

bring the compensation of our loyal Civil Service employees into line with the current economic situation. We will continue to do so.

In all of these endeavors we have sought to establish a relationship of trust and confidence between the government and its citizens. Our new Constitution, the most enduring and important of all of the achievements of the past two years, is itself the product of the relationship to which I refer. Notwithstanding these social and political achievements, much remains to be accomplished if we are to advance the hopes and aspirations of our society under the Republican form of government guaranteed by our Federal and State Constitutions. We have had some hard fights and may have made some enemies. All of this is to be expected, for every program designed to take government out of the easy ruts of complacency and neglect is bound to develop opposition.

During the current year we will devote ourselves to the consolidation of our gains, the perfection of our administrative organization, painstakingly testing the new activities of government that have been undertaken and the new procedures that we have adopted. We do not regard the reorganization of the Executive branch of our government as completed. In fact, the real work of this reorganization has just begun. Beyond this, however, there are certain pressing obligations that must be met.

Civil Liberties

The thought-provoking report, of April 22, 1948, of the Governor's Committee on Civil Liberties, under the chairmanship of Dr. Wilbour Eddy Saunders, stated: "The keystone of our American heritage is the importance of the individual person." I concur whole-heartedly in the conclusions reached by the Committee in its report and strongly recommend that within the framework of the Executive branch of our government, presently consisting of fourteen principal departments, provision be made by leg-

islation for the accomplishment of the objectives of the Civil Liberties Committee. I am aware of the fact that last year, while there was general agreement on objectives, there was limited agreement as to method. I am confident that where there is agreement with respect to objectives, differences with respect to method can be reconciled.

The Freeman bill (A-512 of 1948), or legislation with similar intent and with such amendments as may be required to meet the major objectives of the Committee's report, should be passed this year.

Housing

Adequate housing for our citizens within a reasonable price and rental range must be speedily provided. We should courageously and at once attack one of the most serious threats to the welfare of our State, namely, the slum areas which exist in every major community in New Jersey, as well as throughout the Nation. The recommendations made in my previous messages are even more pertinent today than they were when made. I again urge that you consider and adopt those recommendations. With the lapse of time since the conclusion of the war and with rising costs and accompanying disillusionment, conditions in those blight areas have grown worse—not better. Our citizens do not want explanations. They want adequate homes. We want to rehabilitate our blighted urban areas before it is too late. These areas place heavy moral and financial burdens upon our society which are unnecessary.

We have made little progress in our efforts to secure the adoption by municipalities of modern building, plumbing and safety codes. The lack of these codes and the present conflict between codes of neighboring communities has retarded the construction of homes and increased costs. The Temporary Committee on Housing will provide a full review of the factors affecting progress in both public and private housing as a basis for new legislation.

I recommend: (1) the adoption of modern building and safety codes which will incorporate the recommendations of the Housing Committee; (2) the aggressive enforcement of all laws and ordinances presently applicable to substandard housing; and (3) the broadening of the State Housing Authority and the use by this Authority, subject to appropriate restrictions, of the State's credit for a substantially self-liquidating, low rental housing and slum clearance program of up to \$100,000,000. Our task is to stimulate the construction of low-cost rental homes by private enterprise where possible, and to the extent necessary in blighted areas to provide State and municipal encouragement and, as need be in these areas, to exercise the full authority of the State and local governments to accomplish our objectives.

My position with respect to rent control, as outlined in two previous messages to the Legislature, remains unchanged. I believe, however, that before effective State action can be taken, national policies should be decided. If the Federal Government decides to withdraw from this activity, New Jersey will be prepared to protect its citizens.

Employment Security

When the economic outlook is rosy, when business is booming and profits and wages and employment are at record highs, we are not inclined to be very much concerned with economic security. The conditions of the day create an atmosphere of risk taking, of assurance of continued prosperity. It is in times like these, however, that we are free to take inventory of our provisions for economic security, to meet our current needs and to plan for the future.

The adoption of the sickness benefit program, a brand new protection that began January 1st, was accompanied by a reduction in the payroll tax for unemployment compensation. This tax reduction made available approximately \$26,000,000 annually to be channeled into private

enterprise and the development of new job opportunities. Two additional areas of insecurity remain to be covered in our State programs. One is the full coverage of occupational diseases under our workmen's compensation act. An increasingly complicated industrial process furnishes us with persuasive reasons why workmen's compensation coverage should be extended to include all occupational diseases occurring in industry. I recommend adoption of the bill introduced last year providing for full coverage of occupational diseases. The other involves discrimination between employees of firms employing four or more and those employing less than four. This discrimination should be terminated. Workmen's compensation applies to these smaller firms as should the entire security program.

Current economic conditions of high wages and high prices require an increase in the present maximum benefit rate of \$22.00 for unemployment compensation. If we are to provide employment security benefits, let us have them at a level which accomplishes their objectives.

Labor-Management

The work of the Institute of Management and Labor Relations has been sufficiently noteworthy to warrant expanded State support. The two principal objectives of the Institute are to promote harmony and co-operation between management and labor and to promote a greater understanding of industrial labor relations on the part of the general public. The attainment of these objectives will promote unity and the general welfare of our people.

The right to organize and bargain collectively, guaranteed in our new Constitution, should be augmented by a State labor relations law applicable to intrastate employees. Our present minimum wage law should be made more comprehensive.

Health and Institutions

Our concern expressed in my Inaugural Message for the humane treatment of the wards of our State, and repeated in my Annual Message last year, continues unabated. Our

mental hospitals are hopelessly inadequate. We fall far short of humane standards. The dangers that arise from overcrowding and fire hazards continue. New construction to meet emergency requirements should be undertaken just as quickly as possible. Authorization of twenty-five million dollars for this purpose is required now. Appropriate provision should be made for a referendum to determine whether or not the citizens of our State wish us to engage in this capital improvement program.

At the same time that we are undertaking care of our emergency institutional requirements, we should adopt a long-range program to be put into operation as finances permit and when warranted by a prudent appraisal of the labor and materials market.

We shall continue to support programs designed to provide adequate treatment for those who suffer with mental illness and to restore these persons as quickly as possible to a productive place in society. The need for research into the causes and prevention of long-term and chronic illness, and the treatment as well as the development of new techniques for the care of the increasing number of our citizens so afflicted, is apparent. These problems will require our continuing attention. We may confidently expect that the private and public agencies of our State, which have been in the forefront of the struggle to develop new techniques made necessary by an ever-increasingly complex society, will provide constructive guidance in this field.

The development of regional health services and the strengthening of intermunicipal co-operation will continue to receive our support.

Education

There is no more important obligation of government than to provide adequate training for the youth of our State. We all recognize the importance of securing and re-

taining in the New Jersey public school system the best available teachers. These teachers cannot adequately perform their duties if they are harassed by economic burdens, nor can we expect our teachers to be wholly enthusiastic exponents of our economic way of life in the absence of reasonable salary schedules, permitting them to participate in the benefits of the private enterprise system.

Accordingly, I recommend again that minimum teachers' salaries be further increased.

Mindful of its own financial limitations and the untapped resources of our municipalities and of economies yet to be achieved, the State will continue its State aid program.

I recommend that the members of the State Board of Education should be chosen from the State at large, with no limitations in regard to the number to be chosen from any one county; and that the terms of two members of the board expire each year, the board to be non-partisan in character. The legislation should provide that the Commissioner of Education shall at all times be a career educator of proven administrative ability. The selection should be made on the basis of merit, and not politics.

The inadequacy of New Jersey's facilities in higher education are well known. In the past, about sixty per cent of our youth have had to look outside our State for their college training. Today, these youths find it difficult to find collegiate education in our sister States. We should support our State Teachers Colleges and our State University, providing them with adequate facilities for quality education, at the same time that we are encouraging our privately-endowed colleges and universities.

Local Government

One of the most significant matters before you this year will be the forthcoming report of the Commission on Municipal Government. The Commission, established with bi-partisan sponsorship, has followed the highly commendable course of first seeking out the opinions of the

entire State by publishing a preliminary statement before submitting a final report on its admittedly difficult assignment. This report should be carefully studied.

Whatever may be the Commission's final recommendations, it is already clear that it has accepted a philosophy of strengthening local self-government, a guiding principle of the present administration. The entire effectiveness of our State Government depends upon the vitality of our local governments. It is at the local level that we find the plainest picture of democracy at work. It is my hope that this year we shall be able to take the first comprehensive step in thirty years, since the enactment of the so-called home rule act of 1917, to provide our citizens a sound and adequate choice of optional local charters in the best traditions of our learning and experience.

County Courts

In one important respect we have not completed our work of judicial integration. Many of our county judges serve on a part-time basis and are paid accordingly. This arrangement is unfair to the county judges as well as to litigants. I favor a full-time judiciary with equal and adequate salaries for all who serve on that basis. These full-time judges should be available for service outside the county of origin, where calendars permit. Within the framework of the Constitution, distinctions between Superior Court judges and county judges serving full-time should be terminated. All of our county judges, irrespective of the population of the respective counties, are being called upon to perform substantially more burdensome duties than heretofore. Salary adjustments are therefore in order. For all of those judges given a full-time status, provision should be made for assignment outside of the county, as calendars permit, following the procedure applicable to Superior Court judges. Existing legislation providing per diem payment for services outside the county in the case of these judges should be repealed.

Commerce and Transportation

We are presently engaged in the largest highway building program in the history of the State. Continued support for this program is required for the reasons stated in my Inaugural Address, and repeated last year in my Annual Message. Representatives of each section of our State have impressed me on numerous occasions with the need for improvement and modernization of our highways in their respective areas. As evidence of the emergency character of the need to rebuild our highway system, I need only cite the accident record on Route 28, particularly in the Jugtown Mountain area, on Route 44 and, to a slightly lesser degree, on Route 43. Immediate plans have been made for the completion of the first two of these highways and the redevelopment of the latter. It is to be noted that these particular highways have been selected only for the purpose of illustration and not to the exclusion of other pressing highway construction plans. Basically, our task is to provide safe East-West and North-South highway transportation facilities with appropriate inter- and intra-city connections.

Conservation and Agriculture

We have provided new impetus for the development and use of our natural resources; for the prevention and control of cattle diseases; and for the improvement and development of our water supply facilities. Our Departments of Agriculture and Health have been provided with new and broadened opportunities for the maintenance of adequate food standards and services to our farmers. We must continue to support and strengthen these, as well as our other agricultural and conservation programs.

A commission appointed last year has been engaged in a constructive study of beach erosion. It has been working upon the development of a program designed to minimize the dangers of erosion, and to protect one of our most prized assets that annually attracts millions of citizens to

our seashore communities from all parts of the country. The report of this commission should receive your careful study and should become a basis for action.

Law Enforcement and Public Safety

Domestic tranquillity has been the objective of government in this country from the days of the founding fathers. Now that we have integrated law enforcement agencies, with minor exceptions, within the new Department of Law and Public Safety, it is my hope that we may expand the activities of our State Police school to provide adequate training for all men engaged in law enforcement activities in this State. While providing in-service training for men and women presently engaged in law enforcement activities, we will seek to establish a program that will provide training for all men and women who in the future may enter law enforcement work. State personnel will attend the State school; county and local officers will be encouraged to attend the school or its equivalent where such schools are maintained by the cities. It is proposed to mobilize the resources of the Law School of our State University and to secure the co-operation of other educational institutions in support of this program.

The Veterans' Bonus

Pursuant to a joint resolution adopted by the 170th Legislature in 1946, a Joint Legislative Bi-Partisan Commission to Consider a Veterans' Bonus was created; and in March, 1947, recommended a State bonus for New Jersey veterans of World War II. The veterans' bonus was intended by the Commission to be a token of the State's appreciation for the services of our veterans. A number of bills have been introduced in the Legislature purporting to carry out the objectives of the Commission and to provide a method of financing payment of a bond issue for the bonus. On these bills there has been a wide area of disagreement. Nonetheless, it is apparent that the only way

the bonus issue may finally be determined is by a referendum. The issue, therefore, should be submitted to the people.

As I have repeatedly pointed out, legislation providing for a bonus referendum must provide the method by which the bonus is to be paid. The fourth report of the Commission on State Tax Policy, submitted in August of 1948, demonstrates that current revenues are not and will not be available for this purpose. In your consideration of this issue, you will undoubtedly want to weigh the relative importance of the various obligations of government to its citizens.

One thing should be made clear: I am unalterably opposed to any scheme of financing that depends upon a State lottery.

Finance

A detailed discussion of fiscal problems will be contained in my Budget Message. We find ourselves in a national environment, marked by a threatened four-billion-dollar, or more, tax increase on the part of the Federal Government. A substantial portion of this increase will be collected from New Jersey citizens, as will reported increases in taxes in neighboring States—such as the income tax in New York which will be paid by citizens of this State to the extent of approximately six million dollars. It is apparent that the New Jersey financial structure and State services are, to a considerable degree, subject to variable forces far beyond our power of control.

In addition to the requested increase in Federal taxes, it should be noted that there is a strong likelihood that Federal programs may place new pressures upon the States to spend additional sums of money on a matched-fund basis. Until these contemplated programs are fully developed, it is very difficult for the State to plan for its own future financial requirements for education, housing, highways, social security, and public health. This is to mention but a few fields where the Federal Government, backed by

unlimited power to tax and to determine the value of the dollar, is seeking to expand its activities.

Our fiscal problems may be difficult, but they are not unusual. As a State, I dare say we have done well through prudent management and a careful husbanding of our tax resources. For example, according to reports of the United States Bureau of the Census, the average increase in total State tax collections for all States between 1945 and 1948 was 56%. The comparable increase in New Jersey was 20%.*

The story of our State finances, as compared with other States, is to be found in the following distribution of per capita expenditures (1947):

<i>Item</i>	<i>New Jersey</i>	<i>All States Average</i>
State Operating Expenses	\$15.51	\$23.86
Capital Expenditures	5.72	6.82
State Aid and Shared Taxes	18.45	18.75
Contributions to Pension Funds and Unemployment Compensation	20.07	7.72
Debt retirement	1.27	1.05
Interest payments61	.45

Comparative figures, however, offer little solace when it comes to meeting State obligations on a pay-as-you-go basis. Despite contrary influences elsewhere, we shall seek to keep our fiscal program within a reasonable limit. Admittedly, we are going through a transitionary period. It is especially appropriate at this time that we re-study our entire tax structure and assessment procedures. Our new Constitution affords a solid foundation upon which this study may now be made. I have accordingly asked the Commission on State Tax Policy to undertake a comprehensive survey of our entire tax system. Pending the re-

* The percentage increases for all States and for New Jersey exclude unemployment compensation contributions, and for New Jersey exclude collections of delinquent railroad tax principal and interest. If delinquent railroad tax collections are included, the 1948 State tax collections in New Jersey (excluding unemployment compensation), as reported by the Bureau of the Census, were actually \$10,000,000 or 6% less than in 1948.

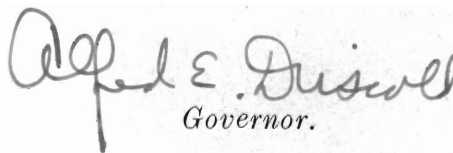
ceipt of its report, we shall confine our attention to the immediate needs of the next fiscal year.

* * * * *

The task ahead of us, while difficult, is clear. As we apply to it sound judgment, courage and willingness to place the public interest ahead of partisan consideration, we will continue together to build a better government and a fuller way of life. Being close to the major achievements of yesterday, we should feel compelled to match those achievements tomorrow.

Under Divine Guidance, we should strive to continue an intelligent and productive work.

Respectfully submitted,


Governor.

Attest:

The Secretary to the Governor.

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