

Seventh Annual Message
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Seventh Annual Message

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

There is a mysterious but wonderful force in our lives that somehow sees to it that at the very moment of our deepest discouragement, something happens to inspire in us new hope and renewed faith in ourselves, our capacity, and our direction. So it was at the end of 1968, when America—frustrated by war and an elusive peace, conscious of poverty in the midst of material prosperity, burdened with racial and ideological dissension, uneasy with the threat of rising crime and unrest, afflicted by doubts as to long-standing values and institutions—came suddenly and joyously to life.

The flight of Apollo 8 not only pierced the universe but thrilled the innermost heart of America. Three courageous young men—taught in our schools, raised in our country, molded by the strengths and weaknesses of our world, supported by thousands of dedicated Americans and a proud technology—did what no men had ever done before. This great deed taught us a crucial lesson—one that we should never again forget—that we *have* the ability to solve our toughest problems if only we have the will—that we *can* overcome the most difficult obstacles if only we are determined to do so.

This lesson should have special meaning for those of us in whom our friends and neighbors have vested another demanding mission—to operate productively the engine of State government. And what a challenging mission this is, embracing as it does the most pressing concerns of our seven million people and their basic right to be free of such evils as crime, poor education, wretched housing, inadequate transportation, spiraling local taxation, pollution, and other threats to their health and well-being—threats

not only to our cities but, in growing measure, to every one of our communities.

In short, this mission of ours is as tough as can be. Yet I am convinced that we can overcome the problems before us, for the same hard work and determination that have already brought us so remarkably far can, if we so decide, help us achieve still more.

To those who may be tired or unconcerned I therefore say that you are out of step. For the future belongs to those who are ready to proceed with the strength and vigor that launched Apollo 8. The proposals that I shall set before you today are in precisely this spirit—bold yet carefully conceived, far-reaching yet clearly essential.

Let us then come together in that American spirit of Apollo 8 to press on with the tasks entrusted to us by the people of New Jersey.

LAW ENFORCEMENT AND CRIME CONTROL

The drive against crime in all its forms, whether organized or not, must be unrelenting. Progress in our continuing battle against crime results not from partisan or sensational actions but from sheer hard work and determination on the part of government at every level.

Indeed, it is such determined effort, on a bi-partisan basis, by the executive and legislative branches of this State government that each year has made possible some major advances in our war on crime. Last year I recommended, and you enacted, a witness immunity law, a statewide grand jury bill, a measure to provide the most severe penalties against loansharking, and other laws to attack the roots of organized crime. I also signed into law a bill creating the State Investigations Commission, which will provide another powerful weapon with which to fight organized crime.

Prompt Action on Unfinished Business

This Legislature has not yet acted, however, on several other measures that I consider essential to the prosecution of our war on crime. You have not yet taken action on two extremely important

measures that I requested in my annual message of last year: (1) an intrastate anti-trust law to protect honest businessmen against the intrusion of organized crime into legitimate business through extortion, intimidation, monopolization, or collusion; and (2) the creation of a Mid-Atlantic States Law Enforcement Compact which would establish a centralized criminal intelligence unit among the State Police agencies of New Jersey, New York, Pennsylvania, and Delaware to enhance interstate cooperation in the struggle against organized crime.

Furthermore, in my Special Message on Public Protection of last September, I reiterated these urgent requests and requested in addition two other measures of importance: (1) passage of a wiretapping law which, with proper judicial safeguards, could be the most effective weapon yet devised against organized criminal activity; and (2) appropriation of \$25 million to improve local police salaries and law enforcement techniques to raise the effectiveness of local efforts against crime in all its forms.

As yet you have taken action on none of these measures, and I call on you today, in the interest of our continued strong and bi-partisan attack on crime, to act on them at the earliest possible moment.

Loanshark Law—A Needed Correction

At the same time I ask you to correct a serious mistake that you made in overriding my veto of a bill that has the purported effect of inhibiting loanshark activity. This measure instead has the unintended but nevertheless real and dangerous effect of giving to loansharks a virtual license to charge up to 50% interest. I ask you to correct this serious oversight as soon as possible.

Further Proposals for Improvement

Last year, after eight days of hearings, the Joint Legislative Committee to Study Crime and the System of Criminal Justice in New Jersey recommended the creation of a new Department of State government, a Department of Criminal Justice. I stated then, and I believe now, that this proposal, in its present form, holds no promise of making more effective our fight against organized crime.

Indeed, public hearings on this measure, which followed its announcement, have revealed several shortcomings in the bill upon which there is now widespread agreement. It is agreed, for example, that the section on rehabilitation, which would substantially dismantle the Department of Institutions and Agencies and the unselfish and dedicated citizen boards that now guide our institutions, is not advisable. Similarly, the section that would place all youth training and social development programs within this new departmental framework—and thus label all young people participating in these programs as criminal or potentially criminal—is unwise.

Moreover, a section providing for massive civil commitment of narcotics addicts cannot possibly be established with the \$1 million appropriation contemplated by the Committee bill—the true cost in fact being monumental, perhaps as much as \$50 million, in view of the fact that no facilities are now available for a mammoth effort of this kind. Finally, the section that would create a Division of Planning would merely duplicate or destroy the work of the bi-partisan State Law Enforcement Planning Agency, which already has made outstanding initial efforts in planning for a comprehensive State and local law enforcement program under the federal Safe Streets Act.

In short, it has become clear that the Committee bill proposed last year, S-802, contains several weak, even harmful, provisions that serve no useful purpose. On the other hand, it does contain several substantial proposals that could indeed help to heighten the effectiveness of law enforcement programs. I have reviewed with great care S-802 and its companion measure, S-803, and I have discussed them in detail with their principal sponsor, Senator Forsythe, who has served with great distinction as Senate President during this past year. I have reached the following conclusions:

1. The time has now arrived when full-time prosecutors and full-time assistant prosecutors, with compensation sufficient to attract high quality attorneys on a full-time basis, should be established. I say this not in criticism of the efforts of those many fine and dedicated men who serve now, and have served in the

past, in the county prosecutor's office, but rather in recognition of the growing demands on all of our law enforcement agencies. I do not believe that the required additional cost of such a change can fairly be cast on the several counties, and I therefore feel that a program of State support, as contemplated in S-803, is in order.

2. In the fight against organized crime there is need for a greater State orientation of the prosecutorial system, as projected in S-802. A more highly State-oriented system is an essential counterpart to the recently authorized statewide grand jury, which is designed to investigate organized crime and to indict persons engaged in organized criminal activity in any part of the State. Such State direction of prosecutions in cases that have a multi-county or statewide impact would not, in my opinion, collide with the tradition of home rule since the county prosecutor would continue to exercise control over criminal prosecutions involving matters other than organized crime.

3. The State should establish, within its law enforcement framework, a program of assistance to local police departments in the planning of consolidated services.

Division of Criminal Justice

On all of these points, which I consider to be the soundest provisions of S-802 and S-803, I have advised the principal sponsor of these measures of my views. I believe that new legislation should be introduced on a bi-partisan basis to further these important objectives. Such a bill should, of course, avoid the shortcomings of the original measures. That is, rehabilitation efforts, youth programs, narcotics control programs, and comprehensive law enforcement planning should remain with those agencies now responsible for them—as public hearings have made entirely clear. Given this fact, it is unnecessary—and indeed it would be wasteful in the extreme—to create a new Department of State government to accomplish those useful and meritorious provisions of S-802 and S-803 with which I concur.

I therefore recommend the establishment within the Department of Law and Public Safety of a Division of Criminal Justice, that will be effectively financed and equipped and that will be headed by

a Director, who shall be appointed by the Governor with the advice and consent of the Senate, and who shall be directly responsible to the Attorney General. This Division will contain the recently formed Organized Crime Unit, and will be manned with Deputy Attorneys General in tenure positions and with accountants, tax experts, and other specialists trained to combat the sophisticated activities of organized crime.

This Unit, which will coordinate its efforts with the State Police Intelligence Unit and with State and federal strike forces on a day-to-day basis, will assist the State Police in their ongoing investigation of the activities of organized crime in New Jersey. The relationship between the Division of Criminal Justice and the Division of State Police will be equivalent to that between the United States Attorney's office and the FBI. The Division's primary responsibility will be to bring the results of completed investigations before the statewide grand jury, which I would hope will be sitting on a year-round basis, for appropriate indictments and prosecution.

The Department of Law and Public Safety, through the Division of Criminal Justice, should also have the power to intervene in the prosecution of any criminal case—a power that does not now substantially inhere in the State. The Department should have the further power, in cooperation with the Supreme Court through the Administrator of the Courts, to assign prosecutors and assistant prosecutors to handle prosecutions in any county. Thus able prosecutors or assistants from rural or less burdened counties, for example, could from time to time assist in overcoming the backlog of criminal caseloads in other counties.

Furthermore, the Department should have the power to intervene and handle any appeal from a criminal conviction in order that the maximum possible expertise may be made available on such appeals, the argument of which is obviously as important as the trial conviction of a given defendant.

In addition, through a Bureau of Local Police Assistance, the Department would have the responsibility to supervise ongoing police training programs, and to provide assistance in planning for joint local police services in a regional attack on organized crime.

Information and Crime Control

In 1966, after several years of frustrating delay, the Legislature authorized a mandatory Uniform Crime Reporting System for New Jersey. This State thus became the first in the nation to establish such a program. Law enforcement agencies throughout the country hailed this action as a major step forward and because of it the FBI was immediately able to enter into cooperative information sharing with the State Police on a basis not available to any other police agency in the country. In 1968 alone, 5,000 separate identifications of wanted persons and stolen property, including many firearms, were made possible by this cooperative information sharing.

Last year, I asked this Legislature for a supplemental appropriation for fiscal year 1969 in the amount of \$112,000 to enhance this excellent reporting system through the establishment of a Court Disposition Reporting System. This new system will provide a fingertip investigative aid to all law enforcement agencies in the State with a fully computerized criminal history of arrested persons, and will further provide essential information for New Jersey's full and effective participation in the proposed expansion of the FBI's National Crime Information Center.

The Court Disposition Reporting System which I describe is the result of one year's study conducted jointly by the State Police and the Administrative Director of the Courts and is based on the favorable experience of a pilot program conducted in Mercer County. It is essential for us to seize on this effective mechanism in the war on crime, and I therefore urge you once again to appropriate the required funds.

The Fight Against Narcotics

Last November, in praising State Police efforts in a series of major narcotics raids, I said that I am determined to take every possible step to rid New Jersey of the narcotics evil. I have previously placed before you, in my Moral Recommitment message of last April, a clear and comprehensive program to attack narcotics traffic, to prevent narcotics addiction, and to rehabilitate present addicts. I requested several essential measures—on none

of which you took action—and I call on you today once again to move for their adoption at the earliest possible moment. They include:

1. Authorization of sixty additional State Policemen, thirty to perform undercover work in locating and apprehending drug pushers and thirty to be assigned to the Organized Crime Unit. Undercover efforts in 1968 alone yielded nearly 1,500 separate arrests of narcotics law violators and about \$13 million in confiscated illegal drugs. I ask you to let us improve on this record.
2. Statutory authorization for a mandatory minimum confinement period of six months, with a mandatory probation period of five years, for addicts who opt for medical commitment under Chapter 226 of the Laws of 1964.
3. Authorization to establish a cadre of specially trained and carefully selected parole-probation officers to supervise addicts upon their discharge from rehabilitation centers.
4. Appropriation of funds to establish additional after-care clinics for the testing and supervision of addicts on parole.

A further request included in my Moral Recommitment message—that you appropriate funds for narcotics rehabilitation centers for the reception and housing of addicts confined for the six-month minimum period under Chapter 226—can be accommodated in view of the passage of the 1968 bond issues, which include \$6 million for this and related purposes.

Narcotics Education Program

I am pleased to report that a narcotics education program for teachers was successfully launched last summer. The Commissioner of Education has in addition circulated a comprehensive 65-page reference book on drugs for teachers in our schools. Moreover, in response to a suggestion by Senator McDermott, a speakers bureau composed of doctors, law enforcement officials, and rehabilitation experts has been formed to make appearances at local schools to discuss the dangers of drug addiction with teachers and students. Further efforts of this kind—such as, for example, a continuing seminar for physicians that could be set up by the State

and local medical societies in conjunction with pharmaceutical firms to provide advice on the handling of medications containing narcotics—are essential.

A Civil Commitment Program

The intensification of these education efforts for our young people is especially crucial, for they must realize that experimentation with drugs can easily cause enormous problems and end in disaster. Consider, for example, the heart-rending tragedy of parents who find their child addicted to narcotics. All too often the child will refuse to submit himself voluntarily to treatment, and parents must choose between the self-destruction of their child and the almost impossible task of turning him over to the police.

In view of this serious and, most unfortunately, increasing problem, I am asking you to authorize a civil commitment program for persons under twenty-one years of age provided that parental consent, and certification by two physicians that the young person is addicted, have been obtained.

Experimental Use of Methadone

The Columbia University School of Public Health and Administrative Medicine has submitted to the Narcotics Addiction Control Commission of the State of New York a highly favorable report on the use of methadone to treat heroin addicts. This report describes the successful treatment of 750 criminal addicts by means of methadone. Experts in the field of drug addiction do not all agree on the conclusion of this report, but because efforts to rehabilitate addicts yield in general such meager results, it is essential that the methadone maintenance program, for which such success has been claimed by its proponents, be examined with great care.

Accordingly, I have requested the Commissioner of Institutions and Agencies to establish such a program on an experimental basis, and under strict medical control, and to submit his findings and recommendations for possible expansion of this program, at the earliest possible date.

The magnitude of our narcotics problems, and the extensive efforts that we have made to overcome them, are clearly detailed in the Final Report of the Narcotic Drug Study Commission, which, under the leadership of Congressman Charles W. Sandman, has devoted intense energy to this problem. I ask you today to build upon these past efforts and to authorize the crucial measures that I have proposed to help New Jersey overcome the narcotics evil.

A Stronger Rehabilitation Effort

It is a sad fact that all too many convicted offenders only return to a life of crime after their release from prison or discharge from probation.

It is essential that we build upon and strengthen our present programs for the education, training, and rehabilitation of such offenders. The financial imperative for such action is clear, for the State spends approximately \$2,100 per year for each inmate at the State Prison, \$2,900 for each inmate at the Annandale Reformatory, and \$4,900 for each inmate at the State Home for Girls, while the average annual cost of probation is estimated at approximately \$300 per probationer. And the burden on taxpayers is increased when, as is often the case, the family of a prison inmate is added to the welfare roles.

Accordingly, I call on you today to enact three measures—two of which I have asked for previously—to impel criminal offenders toward a constructive and contributing role in society:

1. Establishment of a probation aide system within the several county probation departments. This program, which I set forth in my Moral Recommitment message of last year, would develop a cadre of probation aides, who would work under supervision of professionally trained probation officers to bridge the gap that now exists between such officers—who must have a college education—and probationers in disadvantaged communities. On a cost-benefit basis this program represents an extremely sound investment for society.

2. Establishment of an urban parole corps of parole aides who would function under the supervision of officers in the Bureau of

Parole and would likewise be extremely helpful in the proper guidance of persons released from prison.

3. Extension of the work-release program, which now applies to county institutions, to State institutions as well. This program permits certain incarcerated persons, under appropriate and carefully defined conditions, to work in gainful occupations during the day and thereby to defray the cost to the taxpayers of his keep, to help support his family, and to acquire job experience necessary for a successful adjustment upon release from prison.

In addition, we must face the fact that despite the favorable employment records of many parolees in this State, significant numbers confront formidable obstacles to gainful employment upon their release from prison. Such obstacles only make recidivism more likely. To alleviate them I shall request committees from the State Chamber of Commerce and the State AFL-CIO to develop with the State Youth Advisory Council and the State Board of Control additional behind-the-wall training programs to increase employment opportunities for released convicts. I shall also request the New Jersey Alliance of Businessmen, which has worked with such success in obtaining jobs for the hard-core unemployed, to give priority attention to the employment problems of those who have been released from prison.

A Stronger Youth Program

Among the most alarming statistics of those compiled by law enforcement agencies are those that demonstrate the increase in crimes committed by young persons. The rate of their involvement in criminal activities is estimated to be rising more than three times as quickly as the increase in population. We must therefore strengthen our efforts to reach the pre-delinquent and delinquent before he settles into a lifetime pattern of criminal behavior.

This administration has constructed programs to achieve this purpose. Above and beyond the probation and parole recommendations that I have advanced, the following measures are noteworthy:

1. The creation of neighborhood education centers, or street academies, as authorized under Chapter 182 of the Laws of 1968.

These centers provide high school dropouts with a meaningful second chance to complete their high school education and perhaps to go still further.

2. A major expansion of our vocational education program with the help of the 1968 bond issues.

3. The Youth in Community Service Act and Youth Conservation and Recreational Development Act of 1968, which together make available to disadvantaged youth new work and recreation opportunities in the summer months.

I recommend today that the State, through the Division of Youth, undertake a program of assistance to municipalities and school districts to enable them to deal more effectively with youth problems through youth guidance commissions, a number of which are already in operation throughout the State. A modest State investment, which could be matched by federal money to become available for juvenile delinquency programs, will help establish effective programs in these local commissions to engage youth counselors where they are needed; to provide training and job placement for youths that require it; and to perform other important functions that the commissions themselves designate as useful in their fight against delinquency.

The Drive Against Gambling

According to the President's Commission on Law Enforcement and Administration of Justice, illegal gambling activities provide the greatest single source of revenue for organized crime. Here, as in so many areas of law enforcement, local government must be vigilant in its efforts to curb gambling. The State Police reinforce local efforts with continuous raids throughout the State—more than 200 separate raids resulting in 667 separate arrests in 1968 alone. These efforts will become still more effective if and when you approve my long-standing request for sixty additional State Troopers, half of whom will be assigned to the Organized Crime Unit.

I shall also request the State Investigations Commission to probe gambling activities in this State and to make recommendations as to additional methods by which such activities, and the revenue they provide for organized crime, can be dried up.

Order and Justice: The Twin Goals

Pursuit of the twin goals of order and justice is no less important today than it was at the time of my Moral Recommitment message last year. I therefore request you once again to adopt several important proposals in this sphere on which you have failed to take action, including a scholarship program for the State Police to improve police professionalism; a police cadet program; nationwide police recruitment; and attitudinal testing of policemen.

In addition, I urge you once again, in the strongest terms, to enact a measure I proposed last year to prohibit the activities of vigilante and terrorist organizations. I urge you to make it perfectly clear to any extremist groups, whether black or white, that their illegal activity will simply not be tolerated.

HELP FOR OUR COMMUNITIES

Last year you and I joined to enact a number of important programs to provide greater State financial assistance to our communities. The need for such increased State aid is clear to every local property taxpayer in New Jersey, for the rising costs of county and local governments, and the growing burdens that they are being called upon to bear, simply cannot be accommodated without a significant increment in State aid.

For the hard and unvarnished truth is that local government must increasingly pay more even to stand still, and if local property tax rates are not to become confiscatory, other sources of revenue for local government simply must be provided. I am hopeful that a responsible plan of federal revenue sharing with state and local governments, which I have long advocated, will be adopted following the end of the war in Vietnam. But this is a hope, not an accomplished fact, and we cannot escape the clear need for action on the part of State government if we are to save our local property taxpayers.

In short, to finance the services of local government the people of this State, as of every state, must choose between spiraling local property taxes, on the one hand, or increased State aid to help abate the rise in property taxes, on the other. I have long

believed that this second alternative would serve the people of New Jersey far better than the first. For high local property taxes hurt most those who can afford them least. Moreover, they distort patterns of sound and orderly growth by inhibiting business activity and driving out rates that are essential to community progress.

I am not suggesting that increased State aid is by contrast a totally painless solution to our problems, for additional assistance to municipalities will require additional revenues. But I am convinced that the State is in a far better position at this time than our local governments to develop sources of revenue that are fairer and more equitable to the people-at-large and that do not have the serious distorting effects of high local property taxes that I have described.

Cities and Suburbs—A Common Problem

Let us make no mistake about it. The problem to which I refer faces virtually every community in this State. Although it varies in intensity from place to place, it has nevertheless become so widespread a concern that very few, if any, local governing bodies consider it anything less than a matter of the highest urgency.

The communities involved here are not merely our older cities, although they have long been severely affected by this tight financial squeeze. A large and growing number of our suburban and rural communities are rapidly running into many of the same problems. Indeed, as a distinguished Presidential panel has recently pointed out, the quality of life in our suburbs is threatened with many of the same stresses and strains—in transportation, pollution control, education, and other governmental services—that have long afflicted our cities.

We must therefore come to grips with the clear and growing need for decisive action by the State. I have expressed these views to you on many occasions, and you will have no choice but to confront them responsibly and soon.

A Continuing Moral Recommitment

Last April I delivered to you a special message on the needs of our most overburdened communities and asked you to lead a moral recommitment to respond to them. You enacted a number of my proposals in such fields as education, law enforcement, insurance, employment, and public assistance, and I expect that you will continue to support these programs in 1969.

At the same time you ignored some of my most important recommendations for urban revitalization, including certain of my key proposals in health, housing, and education. These proposals were sound, and the need for them was well documented last year. So it is this year as well, and I ask you to reconsider these essential programs promptly.

New Proposals

My recommendations in this message in such fields as transportation, health, education, and consumer protection include a number of proposals to help fulfill the moral recommitment that I called for last April, and I urge you to examine these proposals with special care.

In addition, I ask you to consider a number of new proposals for action to revitalize our cities.

State Urban Development Bank

If the decline of our cities is to be halted, and indeed reversed, the increased participation of minority group members in the management and ownership of business is essential. Today in New Jersey, as across the nation, our white citizens are twenty times more likely to manage or own a business than our black or Spanish-speaking citizens. There must be greater participation in business activity by these citizens, based on a drive for self-help, if the revitalization of our cities, and especially the most severely depressed areas within them, is to occur.

Accordingly, I propose the establishment of a New Jersey State Urban Development Bank that with the help of an initial State appropriation will provide long-term loans and guarantees, under

appropriate conditions, to minority group businessmen who seek to become a productive force in the community but are unable to obtain loans from existing sources and programs. Loans from this Bank will have a multiplier effect in attracting further funds from conventional sources of capital, and the Bank will back up its loans with technical assistance to businessmen who have received them during the developmental stage of their enterprise.

The Bank will also create a system of local development corporations for inner-city areas throughout the State and will provide seed capital and technical assistance to help support such corporations. To effect this program, and to develop further important plans in this vital sector, I propose to appoint as trustees of the Bank some of our top-ranking business leaders.

New Advances in Housing

In the past two years the State has taken major steps to overcome the problem of substandard housing. Ordinarily housing is a field in which it takes years to see results. But in the space of only a few months we have seen completed housing rehabilitation projects in Newark, Hoboken and Camden. The State Housing Finance Agency, through the use of revenue bonds at no cost to the taxpayers, already has 270 dwelling units ready for occupancy, 1,134 units under construction in Newark and West New York, and more than 5,000 units in planning or financing stages. The approval of the 1968 housing assistance bond issue will make possible further progress along these lines.

But we must take further steps to eliminate slum conditions in New Jersey. State and federal housing programs have properly begun to place greater emphasis on home ownership, but these programs have encountered difficulty with the insurance of mortgages in slum areas and the availability of down-payment funds. Accordingly, I shall recommend a Home-ownership and Mortgage Guaranty Act, based on S-818 of the 1968 session, to create a State guaranty fund that will increase the resources available to low-income persons who seek to own their own home.

The improvement of substandard housing is a major objective of our housing policy. Yet a homeowner who proceeds to im-

prove his property is penalized by an increased assessment and a higher tax. Moreover, home-improvement loans are not readily available in high risk areas of our cities. I shall therefore propose legislation granting a five-year exemption from property taxes for improvements made to bring substandard housing into conformity with the minimum standards of our housing codes.

This exemption will be added to a list of exemptions that have already been granted to various kinds of low- and moderate-income housing projects. I propose as well that you authorize adequate payments in lieu of taxes for such new housing and home improvement activities as are possible under these laws. It is unfair to penalize municipalities that are actively seeking to improve their housing situation by depriving them of a growth potential. Under this program the State would make up the difference between such in lieu of tax payments as are presently authorized by law and what would be the normal tax yield of residential property of the same kind.

New Neighborhood Developments

The federal Housing and Urban Development Act of 1968, which I consider a landmark bill, authorizes federal insurance for planned comprehensive developments on the scale of neighborhoods, or even small communities within a municipality. We in New Jersey, with the passage of a Planned Unit Development Law, already authorize municipalities to permit such developments, which may include not only housing but also the schools, roads, and community services that are required to support a complete neighborhood. These developments, which some call "new towns," will pay their own way and may well help us resolve some of the most serious problems of overcrowding and growth in our central cities.

I have requested the Housing Finance Agency to advise me of such legislation, if any, that will permit New Jersey to take full advantage of these federally insured developments. The State, of course, would assume no risk in such developments, but substantial benefits to many citizens may well accrue from them.

Housing With Dignity

Later in this message I shall request you to enact a Bill of Rights for New Jersey Consumers. Here I ask you to protect low-income tenants from unfair treatment by a small group of unscrupulous or insensitive landlords. I shall propose legislation to encourage tenants to join together in cooperatives and to buy and repair substandard housing.

In addition, I shall request legislation to clarify for tenants their rights in public housing, as the Michigan legislature has recently done. A tenant should have the right to know, for example, the reasons for his eviction from public housing, and I propose that you ensure that right.

Finally, I propose that we reconstitute the Mobile Homes Commission so that it may continue the work in this sector that it began some years ago. Recent advances in the construction of prefabricated housing and mobile homes have made necessary a review of both the laws governing them and the needs of those residing in them.

A State Land Use Act

With the enormous pressures of urbanization in this State—the most heavily urbanized state in the nation—it is essential that we wisely control land development in our communities. More than 90% of our communities now employ local planning and zoning controls, but some planning experts argue nevertheless that we are “zoning unborn generations into the Atlantic Ocean.”

The Regional Plan Association, for example, has observed that “present zoning policies are the major block to a free housing market and the main cause of the unnecessary spread of the Region.” Our present land use laws are sorely in need of revision, and I shall therefore send to you a proposed new State Land Use Act to ensure, through improved balance in land development and renewal, that we will benefit from growth rather than be victimized by it. This measure has been drafted by the Department of Community Affairs with the widest possible consultation with local officials and private groups. It merits your most serious consideration.

Welfare—Past and Needed Improvements

In enacting my welfare proposals last year you increased to 75% the State share of county and local welfare costs and thereby greatly assisted these governments. Your adoption of federal welfare amendments, including the work incentive program, will be useful in our efforts to restore the family unit and break the welfare cycle.

But the welfare burden continues to grow heavier, and strong remedial action is essential. I have long held the view that payment of welfare costs should be a federal responsibility, but federal assumption of the full welfare burden is not now in prospect. What is clear is that the present welfare system satisfies no one—neither taxpayers nor recipients. Indeed, it is a system that cries out for change.

To determine what constructive change is possible in the public assistance program, I shall shortly appoint a distinguished Task Force on Welfare Management. I shall instruct this body to examine modifications in the present welfare system now being tested in various parts of the country and to recommend any possible improvements in the management and administration of our present welfare system. I shall consider their mission a crucially important one for the people of this State.

EDUCATION—THE NEED TO PRESS ON

The past year has seen decisive State action toward the goal of excellence in education at all levels. Funds from the 1968 bond issues will make possible dramatic advances in both higher education and vocational education and will enable New Jersey to become a dynamic force in the field of public and instructional television under the direction of the new Public Broadcasting Authority. Exciting progress and vigorous activity are the order of the day for the entire range of educational problems with which the State Board of Education, the Board of Higher Education, and the individual boards of trustees at Rutgers, Newark College of Engineering, the State Colleges, and the College of Medicine and Dentistry are concerned.

Progress in Urban Education

The past year has seen especially important progress with regard to the overwhelming problems of schools in our hard-pressed cities and suburbs. The historic Educational Opportunity Fund, through which thirty institutions of higher learning in this State have already provided some 1,600 students of exceptional financial need and high potential an unprecedented chance to attend college, has compiled an outstanding record, and I shall request you to expand its appropriation. Other educational programs that you enacted following my Moral Recommitment message of last April—such as the Project Head Start supplement, the expansion of the Newark Skill Center, the enlargement of the school lunch program, the establishment of neighborhood education centers, and expansion of the Urban Education Corps—are proceeding with effectiveness and merit your continued support.

Emergency School Building Aid

Last year you also enacted one-half of my proposed emergency school building aid program, which authorizes the State to amortize over a 35-year period local school construction bonds to meet the immediate building needs of the struggling rural community, the fast growing suburb, and the old central city—in short, all those communities which find themselves unable alone to relieve obsolete and overcrowded conditions that make first-rate education simply impossible. My original request that you authorize such school construction in the amount of \$180 million has been vindicated by detailed requests for assistance totaling slightly more than \$200 million from 60 local school districts throughout the State. The \$90 million construction program that you enacted has already been fully committed to those districts that have the most serious problems—indeed, only 60% of their request levels could be accommodated—and I request you today to authorize the balance of the construction program so that these further emergency school building needs can be met.

Regional Research Centers

Last year as well I requested you to authorize the gradual establishment of regional research and demonstration centers to

operate in conjunction with local school systems, and where possible, with institutions of higher education, to test new approaches and new technologies in actual classroom situations. Functioning in association with the Regional Educational Laboratory of the U. S. Office of Education but addressed specifically to the special needs of New Jersey's own urban, suburban, and rural schools, these centers would be designed to apply to the enterprise of public education in this State the same research and demonstration techniques that have enabled private industry to register unparalleled achievements in efficiency and improved performance in so many fields.

I am convinced that these regional educational centers, in the same fashion, will be able to join with any local school district that expresses interest to develop improved educational programs for its children and to insure full value for every educational dollar spent by its taxpayers. Moreover, these centers would make possible a fruitful exchange of the best ideas of individual school districts. I therefore ask you once again to initiate this regional centers program.

Autonomy for State Colleges

By virtue of the historic Higher Education Act of 1966, the six State colleges—soon to become eight—have begun the challenging process of transformation into multi-purpose institutions of arts and sciences. This transformation has been guided by boards of trustees responsible by law for the governance, control, conduct, management, and administration of the colleges. These boards are composed of distinguished citizens of great capacity and integrity who are dedicated to providing leadership of a high order.

Notwithstanding the important fact that these institutions are almost wholly supported by New Jersey taxpayers—whose interests must be protected—they should nevertheless exercise that autonomy which traditionally has been the source of vigor and progress in American higher education and without which trustees and administrators cannot effectively discharge their responsibilities. I therefore support the extensive and responsible efforts now being made by Chancellor Dungan, the Board of Higher

Education, and the Department of the Treasury to work for administrative changes that will secure a higher degree of autonomy for State colleges. Moreover, should it be necessary, I shall propose legislation to help achieve this purpose.

Student Aid—A Realignment and Major Expansion

We in New Jersey, like all other states, have experienced a tremendous growth in the demand for educational opportunity beyond high school—and this demand will grow, not slacken. Coupled with this demand is a rapid rise in the cost of attending college, in both public and private institutions.

Our student aid programs—the State scholarships, Guaranteed Student Loans, and Educational Opportunity Fund grants—have functioned well in the past to lighten the burden for many deserving students and their families. But we must be vigilant to ensure that no student is denied access to higher education because of his financial circumstances.

Accordingly, on the basis of recommendations of the Board of Higher Education and the Scholarship Commission, I shall submit to you a plan to rationalize and expand our student aid programs. This plan will entail both a major increase in the student loan program and a greater degree of flexibility in the scholarship program. I shall request your prompt action on my proposals in this crucial field.

The Bateman Commission Report

Less than one month ago the State Aid to School Districts Study Commission released its long-awaited report.

The objective of the new incentive equalization program recommended by the Commission—to enable all local school districts, regardless of their wealth, to provide educational programs of high quality without confiscatory local property tax rates—is articulated in compelling fashion in this report. I am fully prepared to work with you in a strong bipartisan manner to support the program advanced by this report.

The distinguished chairman of the Commission, Senator Bateman, has properly called for public hearings on this revised State support program. I am especially concerned that such hearings will pay particular attention to the effect of municipal “overloads” upon the ability of a local district to finance its educational program. All school districts in New Jersey require a major increase in State aid, but any formula revision simply must take into full account the special burdens of our hardest pressed communities.

The State Board of Education will receive shortly the report of a distinguished committee which has been examining for two years the status of school district organization in New Jersey. That Board is properly concerned that quality education is not possible where a district must limit services and opportunities to students because of its uneconomical size. I urge you to give careful consideration to the recommendations to be made on this important subject by the State Board of Education.

I also expect the Bateman Commission hearings to explore the question of incentives for the consolidation of small and uneconomical school districts—a goal strongly advocated by such groups as the New Jersey Taxpayers’ Association. Such incentives and efforts by school districts would have two purposes: first, to ensure education of high quality in all school districts; and second, to guarantee to overburdened local property taxpayers throughout the State a maximum return on their local school tax dollars.

A BILL OF RIGHTS FOR NEW JERSEY CONSUMERS

“Cheaters never win!” All of us can remember this stern admonition from our childhood. And yet, at the edge of our great private enterprise system, cheaters today all too often do win, and their triumphs come at the expense of those among us who can least afford it. The housewife, the working man, the poor, the elderly, and the legitimate businessman himself—all are daily victims of a small but efficient group of specialists in fraud and sharp dealing.

The loss to any citizen of \$100 because of fraud is no less outrageous than burglary from him of that same sum. In the

interest of both consumers and the overwhelming majority of honorable businessmen, I believe that we must act firmly and promptly.

Accordingly, I request you today to enact a *Bill of Rights for New Jersey Consumers*. The first ten articles of this Bill of Rights are measures that I have recommended to you without success on previous occasions and upon which I trust that you will now act. These measures would:

The First Ten Articles

1. Guarantee that an innocent buyer will not be forced to pay full value for defective merchandise or incomplete repairs merely because his installment debt has been transferred to a third person. This unfair condition can be remedied by a modification of the present "holder in due course" rule.
2. Guarantee the presence of public members on all professional boards so that the voice of the public may be heard and the concerns of the consumer presented in connection with the regulation of professions and businesses which provide vital and essential services to our citizens.
3. Guarantee the workingman that he will not be abandoned when he is most in need of help by providing that he may not be fired from his employment solely because his wages have been garnisheed.
4. Guarantee that the amount of wages exempt from garnishment reflects the economic standards of 1969, rather than those of 1915, as required by present law. Specifically, I ask you to raise the weekly exemption from \$18 to \$68 and the yearly exemption from \$2,500 to \$5,000.
5. Guarantee that the innocent consumer will be fully assured by a clear and legible label that any rebuilt or reconditioned appliance is so designated.
6. Guarantee that our elderly and retired citizens will not be left penniless or homeless because of an ill-advised or uninformed investment in a dishonest "retirement community" or other such development. This purpose can be

achieved by requiring full disclosure of the financial resources of developers dealing in this type of facilities and the approval of such projects by the State Bureau of Housing. Such legislation will be hailed by the vast majority of honest developers who now suffer from the unscrupulous practices of a few.

7. Guarantee our citizens that any door-to-door salesman who calls at their homes will have been licensed either by individual municipalities—which now have the power to so license—or by the State.
8. Guarantee that bereaved citizens will receive from morticians an itemized list of services, and charges therefor, to be included in the price of the funeral.
9. Guarantee that those seeking to borrow money on a second mortgage will not be tricked by one who, while holding himself out to be a lender, is merely a broker for a finance company located in another State, which does not meet our high standards of examination, regulation, and licensure.
10. Guarantee, by prohibiting the sending of unsolicited credit cards, that our citizens will not be forced into involuntary contracts or thereby be jeopardized by potential litigation.

Further Articles for the Bill of Rights

Above and beyond these measures, I ask you to add to this Bill of Rights for New Jersey Consumers the following articles, which would:

1. Guarantee that those of our citizens who buy on credit, especially those who are poor and uneducated, will be given true and honest information as to what their loan is costing them.

To this end, I propose that New Jersey adopt a truth-in-lending law requiring all credit merchants to set forth the true annual interest rate.

Truth in lending will enable our citizens to make more informed credit decisions. At present, New Jersey residents owe approximately \$5 billion in short-term consumer debt. It is estimated

that the annual interest paid on this debt is approximately \$750 million. Should credit costs decline by even one percent as a result of this legislation, our citizens would realize a savings of \$50 million. I caution you that this is a savings that the people of this State will not allow us to ignore.

2. Guarantee that the proposed revisions in the Weights and Measures Law, which are clearly in the public interest, be promptly enacted.

3. Guarantee that any merchandise sent to a consumer without his prior consent is a "gift" which he may dispose of in any way he sees fit without being liable for payment.

4. Guarantee the expansion and clarification of the recently enacted 48 Hour Cooling Off Period Act so that cash as well as installment transactions will be covered if they are made door-to-door. Moreover, the time frame of this Act should be amended to 72 hours so that it will conform with recently passed federal legislation.

5. Guarantee that our citizens shall not be victimized by so-called "non-performance penalties" by prohibiting them. At present, purchasers are on occasion required to pay as much as 50% on a cancelled contract when no work whatsoever has taken place.

6. Guarantee our citizens protection from unethical or high-pressure tactics while providing full opportunities for legitimate debts to be recovered by providing for the licensing of all collection agencies by the Department of Banking and Insurance.

7. Guarantee to every owner of a television or radio that he will receive fair and competent repair work by requiring the licensing and bonding of all television and radio repair mechanics by the Office of Consumer Protection.

8. Guarantee the protection of every car owner in the State by requiring that all auto mechanics be examined and certified by the Office of Consumer Protection and that they provide security bonds.

9. Guarantee the full protection of every homeowner by requiring the furnishing of security bonds by all persons, firms, or corporations holding themselves out as doing home repair or home improvement work.

10. Guarantee protection of all drivers by requiring the clear, legible, and proper labeling of all reconditioned, recapped, or re-treaded tires.

11. Guarantee that all citizens will be protected from the harsh and unjust application of our present lien laws. All too often homeowners have been forced to pay twice for the same home repairs or improvement work. Amendments to our present lien laws to remedy this unjust condition have long been warranted.

12. Guarantee that in all civil cases involving fraud in a sales transaction, the aggrieved party shall be allowed to recover punitive damages.

13. Guarantee that every effort will be made to safeguard the public from inadvertent damage to gas pipelines by requiring contractors or other persons to notify gas companies when excavating in the vicinity of gas pipes.

14. Guarantee that the public interest will be protected in all proceedings for general insurance rate increases which, in the opinion of the Commissioner of Banking and Insurance, have sufficient impact on a substantial number of the premium-paying public, by formalizing the appointment of a rate counsel to defend the public in insurance rate increase cases. The cost of the defender should be paid by the industries requesting the rate increase in a manner similar to the present practice in public utility rate applications. The potential benefit of such a public rate counsel has been demonstrated conclusively in connection with applications for increased Blue Shield rates and, most recently, for automobile insurance rate increases, the latter case having already yielded a saving of \$42 million to New Jersey motorists.

15. Guarantee that penalties imposed by the Office of Consumer Protection serve as an effective deterrent to sharp business practices by increasing the present maximum fine from \$100 per offense to \$1,000.

Divisional Status for Consumer Protection

The Office of Consumer Protection has performed its crucial function with great distinction. During the past fiscal year the Office processed to completion nearly 6,000 complaints that were

brought to its attention by New Jersey consumers, and recovered approximately \$400,000 on their behalf. At present, the Office, although working at full capacity, has a backlog of some 6,000 cases, and the number is growing larger every day.

Moreover, the Office properly seeks to expand its role in consumer education programs in our schools and for the public-at-large. Furthermore, new responsibilities will devolve upon the Office in connection with the Bill of Rights for Consumers that I have placed before you.

Accordingly, I ask you to provide new strength for the Office by formalizing it as a Division of Consumer Protection within the Department of Law and Public Safety. Such action would enable the Office to build upon its impressive record of achievement to date and to ensure that the rights of New Jersey consumers will be fully protected.

HEALTH—THE BIRTHRIGHT OF OUR CITIZENS

Throughout my administration I have held the strong conviction that of all of my responsibilities as Governor, the protection and support of the health of the people of this State is among the very highest. With the cooperation of the Legislature, this administration has registered a long series of notable achievements in the health field, and their successful implementation has been made possible because of the deep concern and full dedication of the thousands of men and women in New Jersey whose principal concern is the health of our fellow citizens.

I have in mind not only the doctors and nurses, scientists and technicians, and all other professionals in the health field, but also the hundreds of selfless private citizens who serve as trustees of our hospitals, managers of our institutional boards, members of distinguished boards and councils, and leaders in fund-raising drives for so many worthy health purposes. Together these people have compiled a proud record in many spheres of health activity—a record for which we have reason to be grateful.

New Problems and New Solutions

Notwithstanding these great assets, it is clear that our health system in all its parts is confronted with problems of the highest magnitude. Rapidly rising costs and severe shortages of manpower, for example, are the rule rather than the exception in many sectors of the health field. In addition, new federal programs addressed to the training of health personnel and the delivery of health services have placed on State government, as well as private institutions, new and extraordinary opportunities—and burdens as well. Those of us who do not administer but receive health care know full well—sometimes all too well—how considerable these problems really are. And we have become increasingly aware that the outstanding medical care that our health system is capable of providing simply does not reach a large number of our people.

These thorny new problems require firm and decisive action by private citizens and government alike, for we have no more precious birthright to safeguard than the health of our people. During the past year this administration has examined with care a range of possible actions to improve our performance in the health field. With the help of both State authorities and many private groups and individuals, such as the Roundtable on Health Policies of the Woodrow Wilson School of Princeton University, I have decided upon a program of essential action. The measures to which I now direct your earnest attention—and which I shall submit to you promptly in extensive detail in a special message—are as follows:

1. An increase in State aid to local health agencies effective January 1, 1970, to \$1.80 per capita in order to strengthen the effectiveness of these agencies.
2. A bill to facilitate the establishment, on a permissive basis, of county health departments and consolidated health districts in order to realize the full benefits of regional health services.
3. The expansion of the Crippled Children's program, which provides assistance to families whose children are afflicted with crippling diseases, in order to treat a greater range of these tragic illnesses.

4. The establishment of a chronic kidney disease program to provide lifesaving dialysis services to persons afflicted with this grave condition. Without such services those who suffer from this disease will die; but because of their high cost these services are at present unavailable to many persons who would otherwise be able to live a full and productive life.

5. The establishment of a series of maternal and infant care projects, to be administered by the Department of Health, to reduce the tragically high level of infant mortality in a number of our cities.

6. The extension of the highly successful recruitment and re-training program for inactive nurses.

7. The initiation of a health services research and demonstration program by the Department of Health to develop improved methods for the delivery of health care, particularly for low-income persons, by means of neighborhood health centers and other mechanisms.

8. The creation of a War Veterans Commission within the Department of Institutions and Agencies to improve the entire range of institutional services to disabled veterans.

9. The establishment of a Health Economics Unit within the new Division of Medical Assistance and Health Services in the Department of Institutions and Agencies, which will administer the Medicaid program. This Unit will evaluate the reimbursement structure for health services and, with the approval of the State Treasurer, set rates to be paid by all State agencies.

10. The passage of a Laboratory Improvement Act to ensure the high quality of work performed by clinical laboratories.

11. Consideration by the Legislature of the advisability of a program of State support for the construction and rehabilitation of hospitals and health facilities throughout the State.

12. The requirement of a certificate of need for any proposed expansion or change in physical facilities which significantly affects the program of any health care institution.

13. The extension of the Medicaid program to include, at moderate cost, those persons who should be included even in a

modest Medicaid program, namely, children under twenty-one in families that are made medically needy by virtue of catastrophic illness; persons who would otherwise qualify for federal public assistance programs and whose income has fallen below assistance levels by virtue of illness; and recipients of general assistance.

14. Redesignation of the Commission for the Blind—which, like so many health agencies of State government performs outstanding but largely unsung services—as the Commission for the Blind and Visually Handicapped, to reflect its true role.

I shall detail these proposals—and my further ideas for action in such crucial areas as mental health, mental retardation, vocational rehabilitation, and comprehensive health planning—in my forthcoming special message.

TRANSPORTATION—A TIME FOR RAPID ADVANCE

In its first two years of operation the Department of Transportation has amply justified its creation. The Department has organized its complex programs into an overall master plan that charts the way to essential improvements in New Jersey's entire transportation network. The overwhelming public approval of the 1968 transportation bond issue testifies to public confidence in the Department's planning and objectives. Its passage will now enable the State to carry out a major highway construction program and an equally important public transportation program, particularly with regard to our commuter railroads.

Immediate Action on Bond Issue Appropriations

The Department is fully prepared to move ahead on these vital programs with dispatch. But as yet you have not appropriated any bond issue funds for this purpose. The people's vote on the transportation bond issue was a clear indication of their desire for prompt and decisive action. I therefore trust that you will proceed immediately with this program, especially in view of the fact that every working day you delay will mean a loss of \$1 million in highway construction output.

If you take prompt action—and if the present freeze on federal highway funds does not extend beyond June 30—the Department should be able to achieve in 1969 an all-time highway construction record of \$250 million—\$175 million in actual construction contracts and the balance in right-of-way acquisition and engineering. In view of the tragic death and injury toll on our highways and the need to complete such long-delayed facilities as Interstate 80 and 280, the Department must have your full and immediate support in its drive to move forward.

Progress in Public Transit

The transportation bond issue will also enable the Department to carry out its comprehensive program to rehabilitate and re-equip the commuter rail service to our metropolitan centers. In 1969 the Department plans to order some new equipment for these lines and to start on station and parking improvements. Construction of the new high speed station on the Penn Central line at the Garden State Parkway will be started this spring. Upon its completion in less than a year, it will provide improved services for commuters and those who utilize high speed service in the New York to Washington corridor.

Improved Commuter Service

Critical policy problems, however, with regard to the State's relationship with the carriers that provide this essential rail service will have to be resolved in 1969. The Department has already conferred with these carriers to ensure that the State's investment in these facilities will in fact produce the improvements in service to which our citizens are entitled. To this end the Department will keep close watch on the management and operation of these lines, and will advise you should any legislative adjustments in this sphere be required.

Rail Link to Newark Airport

I call your attention as well to the vital question of improved access to Newark Airport. I have requested the Port of New York Authority to reexamine its position on the construction of a rail link to the airport in view of several material factors, including

the passage of the Meadowlands redevelopment bill, the approval of the transportation bond issue, and the major expansion of Newark Airport itself. In view of the great new demands on Newark Airport that will be associated with these developments, the question of improved access to the airport must have the highest priority.

More Than Rails

Since 1959 the State's commitment to public transportation has been limited largely to the preservation of suburban rail service. This emphasis stems from threatened loss of this service when Congress relieved rail carriers of most of their financial responsibilities for passenger operations. The vital nature of this service—which affects twelve counties and provides critical relief to our highways during peak traffic hours in our most urbanized centers—has justified this attention. We must nonetheless realize that other public transportation services are also vital and merit our serious concern.

Last year, for example, the serious financial problems of local bus carriers in two counties impelled the passage of a measure to permit counties to ensure the preservation of critical bus service. It is unlikely that this action will eliminate the need for further governmental concern in the bus sector. We know, for example, that the Lindenwold line, which has just commenced service, will have a pronounced effect on the viability of bus service in the Camden area even though there is a compelling need to ensure the continuation of bus service compatible with the high speed line. The bankruptcy of the Inter-City Transportation Company in northern New Jersey; the threatened abandonment of the city subway service now operated by Public Service Coordinated Transport Company; and the interest of Public Service Electric and Gas Company in relinquishing its bus operations—all these cases are dramatic evidence of how quickly conditions in this sector are changing.

The Importance of Buses

The importance of bus transportation to this State is clear from the fact that Public Service Coordinated Transport Company

alone carries about 700,000 riders per day in comparison with 125,000 daily trips provided by all of our rail carriers other than PATH. It is no exaggeration to state that the economic survival of many of our urban centers depends directly on the preservation of this service.

The Department has placed our urban transportation requirements under careful review so that you and I will be able to consider in an orderly fashion what action, if any, may be advisable in this sector. I have requested the Department to complete work on the urban transportation survey at the earliest possible date, and I shall transmit it to you for your consideration as soon as it is available.

An Area for Prompt Action

In one aspect of bus transportation I have asked the Department to act in advance of the completion of its report. I refer to the provision of improved public transportation facilities for low-income urban dwellers who are seeking employment in suburban locations. The Department, in conjunction with other public agencies and employer groups, has initiated the first demonstration program to provide transportation for North Jersey residents to employment centers in the Meadowlands. I have directed the Department to explore further ways to improve the transportation of low-income urban residents to employment locations.

Regional Planning Agencies

In recent years the federal government has conditioned its grants on the existence of an adequate and comprehensive regional planning effort. Long before such planning activities were so mandated, this State moved to develop a regional planning effort to help ensure coordination of governmental actions both within New Jersey and with our neighboring states. The Tri-State Transportation Commission was created in 1961 and pre-dates even the earliest federal efforts in this sphere.

The legislation creating this Commission, however, provides for its termination on March 1, 1969, unless it is continued by action of the three member states. In conjunction with representatives of

these states we have prepared an extender bill to continue the agency for another five years and broaden its scope so that it satisfies more recent federal requirements for regional planning. I request your immediate action on this bill to ensure the continued qualification of State and local governments for numerous federal aid programs.

There is a similar situation in respect of the Delaware Valley Regional Planning Commission, and I request extender legislation for this important Commission as well.

Action Against Traffic Congestion and Hazard

With funds from the Federal Highway Act of 1968, the Department has moved vigorously in cooperation with urban municipalities to develop programs to alleviate severe traffic congestion and hazard by means of modern traffic engineering concepts and devices. Under this program the Department has recommended that 70% of the federal funds—\$6 million—be assigned to local governments, with the remainder going for improvement of traffic control devices on the many State highways that now serve as city streets.

At present, authority over traffic control devices on county and municipal roads is vested in the Division of Motor Vehicles. But because the federal act places responsibility for approving use of federal funds in the Transportation Department, it would be advisable, in the interest of processing local projects with the maximum possible speed, to transfer approval authority for such traffic control devices to the Department, which now exercises this authority on State roads. I ask you to authorize this transfer of authority at an early moment.

Vigorous Action for Greater Highway Safety

In recognition of the frightening carnage on our highways, the federal government established a sweeping highway safety program in 1966. Through the State Highway Safety Program Liaison Office, which I created by executive order, New Jersey has moved rapidly to obtain a number of significant grants to improve highway safety. These grants will make possible projects

ranging from the purchase of helicopters for State Police patrol of our Interstate highways, to the purchase of driver simulator devices for a local school district. These efforts, which extend as well to such important fields as emergency medical services, complement the work of outstanding volunteer ambulance and rescue squads and other groups devoted to the safety of the motoring public.

This Office has evaluated the State's highway safety program in relation to federal standards issued last year. This evaluation has revealed almost total compliance with these standards in such areas as motor vehicle inspection, registration, driver licensing, and highway design.

But at the same time there are significant gaps in important fields such as driver education. New Jersey does not at present ensure that every youth of driver age has available to him a driver education course administered by State education officials, as federal standards require, and I commend your attention to this problem. Similarly, you should examine the question of periodic driver re-examination and classified licenses, with which federal standards also deal.

The Highway Safety Office has performed its critical mission with great effectiveness during its short tenure. To date it has functioned under executive order, and I shall ask you to formalize its role in State government with appropriate legislation.

A Strengthened Division of Motor Vehicles

New Jersey's motor vehicle inspection system is widely regarded as one of the nation's best and most effective. But the enormous growth in motor vehicles in this State—more than three million vehicles are now registered—has outstripped the capacity of our present inspection facilities.

State government must always be alert to the concerns of the average citizen, and when State operations do not fully serve him, we must act with determination and dispatch.

Accordingly, I ask you to strengthen the operations of the Division of Motor Vehicles by authorizing the immediate con-

struction of ten additional vehicle inspection facilities at critical locations throughout the State. A number of these facilities, which have been programmed in the Division's capital plan, will be multi-purpose in nature. That is, they will incorporate facilities for inspection, licensing, and driver testing under one roof in order to deliver the most effective possible service to motorists.

I believe these new facilities should be made available to the motoring public at the earliest possible date. Only a small portion of their cost, however, has been appropriated, and to finance their full and immediate construction, I ask you to authorize a loan from the Public Employees' Retirement System pension fund. This loan would be amortized over a twenty-year period at a fair and reasonable interest rate. I do not believe that this fund should become available at any time for general State construction purposes. But on an emergency basis such as here, I consider such use justified. Certainly if you intend to finance the construction of a new legislative office building by means of the pension fund, you will be prepared to utilize the fund in the interest of New Jersey's suffering motorists.

Furthermore, I shall request your full support of my budget recommendations for the Division so that the necessary additional personnel for the improved inspection and other services that I seek will be available. Those personnel are essential if present facilities, as well as new stations, are to operate at full capacity. Moreover, they will help relieve the present delay in driver testing—and this relief is another important objective of the Division. I consider these improvements in service to our motorists of top priority, and I trust that you will support my recommendations to achieve this purpose.

The Jetport—Balancing People and Progress

As New Jersey enters 1969, we are still confronted by the difficult problem of providing adequate airport facilities for our State and region. The jetport problem extends back an entire decade and presents one of the most difficult transportation problems this region must resolve. In a day and age when aviation represents the fastest growing sector of transportation, in terms of

passengers and goods, we cannot afford to risk the economic consequences of inadequate facilities in this critical area.

A resolution of this problem, however, requires more than the selection of a site which is technically and economically suitable for development. It requires a recognition that these major projects, symbols of the interaction between rapidly growing technology and a rapidly expanding population, must be undertaken in a manner that is responsive as well to other equally important social needs, especially those of the residents of potentially affected areas. The enormous difficulty involved in striking this balance is clear to everyone who has studied the jetport question in any depth.

My desire to minimize the impact of such a major new facility on the surrounding population has prompted me to lead the efforts to locate a new jetport at McGuire, surrounded and insulated as it is by a vast military reservation, or in the Pinelands, which is also relatively free of residential concentrations. To date these efforts have encountered the obstacles of conflicting military requirements and the need that a jetport be largely or fully self-supporting. Emphasis on this latter point—economic self-sufficiency for a jetport—stems from general agreement that the taxpaying public would properly oppose underwriting the cost of any such facility if there is any possible alternative.

During the past year we received the extremely useful and comprehensive report prepared by the Economic Evaluation Committee chaired by J. Seward Johnson. I have requested the U. S. Secretary of Transportation, through the Federal Aviation Administration, to undertake an up-to-date simulation study of air space and attendant problems in view of the data in this report. I have also requested the State Department of Transportation to review and evaluate the report, and I am advised that this document should be available shortly.

Last year I asked you to authorize the establishment of a New Jersey Jetport Authority that would serve as a focal point for all the State's efforts to resolve this problem. I call on you again today to establish this Authority, which would be charged with

the resolution of the jetport question, subject to the action of the Legislature. If you adopt this recommendation, I shall direct to the Authority the forthcoming reports from the State and federal Transportation Departments to help this body break the long-standing deadlock on this matter and bring it to final resolution.

NATURAL RESOURCES—A TIME FOR FIRM ACTION

Water Policy

The past year has demonstrated anew the need for the unified management of New Jersey's water resources. At present more than 300 agencies are responsible for delivery of water to the ultimate consumer. As the distinguished Capital Needs Commission has pointed out, no one company or supplier has either the capacity or the responsibility to develop and finance a statewide plan to protect and utilize the water resources that our people require now and in the future.

In 1958, in conjunction with the development of the Round Valley-Spruce Run reservoir system, my predecessor, Governor Meyner, recommended that the State be responsible for the development of transmission lines from those facilities to the ultimate users. The Legislature rejected this approach, and responsibility for such water transmission was later vested in the North Jersey District Water Supply Commission.

In the protracted and frustrating legal battles between the Commission and the City of Newark that have stemmed from this legislative decision, we have seen further evidence that strong water management by impartial experts who represent the interests of all the people of New Jersey is required. In recent months four bodies have examined this question in detail. The Department of Conservation and Economic Development, the Commission on Efficiency and Economy in State Government, the Capital Needs Commission, and a special bipartisan legislative committee ably chaired by Assemblyman Rinaldi have all examined this difficult problem with great care.

While the legislative committee has not yet reported, and while there are reasonable differences among the views of these other

groups, there is one unifying theme on water policy to which I adhere completely :

The State should assume responsibility for the protection of existing reservoir sites and acquisition of new sites, and ultimate responsibility for the allocation of water to all of our citizens.

The Need to Harmonize Interests

Water resources cannot be allowed to become the subject of petty squabbles among competing entities. Ultimate responsibility for the development and implementation of a master plan for water supply must be the State's. Any such plan must obviously be the product of full and objective consultation with all interested parties. It must also protect the huge financial investments and programs of the many agencies, both public and private, which have been supplying water to our citizens for many years. But in the final analysis, the State must ensure that all individual interests are welded together to preserve the larger interest of the entire State.

Accordingly, I shall present to you a water program with the following objectives :

A Water Referendum

1. Acquisition of additional reservoir sites, as proposed by the Department of Conservation and Economic Development and recommended by the Capital Needs Commission. As the Commission pointed out :

"In the past, procrastination in acquiring reservoir sites has led to the loss of sites as the land has been used for either residential or industrial purposes, and it is all too obvious that delay has increased acquisition costs tremendously. Reservoir sites are unique in that only certain areas are suitable because of their peculiar terrain. Even if we were to discount the economic effect of rising land costs, we cannot overlook the result of losing a good potential site."

These sites should be acquired with general obligation bonds authorized by referendum.

The Capital Needs Commission recommended such action, as well as action on the critical question of water pollution control. Last year you deferred my request to place a referendum on water pollution control and water supply before the people, but many of you expressed a strong desire to act on this urgent matter this year.

My position on this measure remains unchanged. And if you are prepared to proceed now in the same outstanding bipartisan manner that yielded such excellent results in the 1968 bond issues, I shall work with you for the passage of a single bond issue, of modest size, for these essential joint water purposes.

A reservoir site acquisition program should provide for payments in lieu of taxes to communities and counties, as with the Round Valley and Spruce Run reservoirs. Moreover, such sites should be planned and developed for multi-purpose recreational use, as contemplated by the outdoor recreation plan of the Department of Conservation and Economic Development.

Interconnection

2. Construction of major aqueducts and distribution trunk lines to interconnect existing water systems with projected new systems. As a minimum, this should include interconnection of our river basins with a pipeline from the Delaware to the Raritan and from the Passaic to the Hackensack. Such action will provide maximum flexibility in serving every area of the State and, in effect, establish a positive safeguard against drought. The cost of this distribution system can be borne either through general obligation bonds or revenue bonds issued by a State agency.

Water Plan Development Board

3. Formation of a Water Plan Development Board in the Department of Conservation and Economic Development, composed of the Commissioner of that Department as well as the Commissioners of Health and Community Affairs, the Secretary of Agriculture, and the President of the Public Utilities Commission. The Board will be charged with preparing long-term plans to ensure an adequate water supply system for all of our

citizens. It will also submit an annual comprehensive water development and management program statement. Staff work for this Board will be provided chiefly by the Division of Water Supply and Control in the Department of Conservation and Economic Development and the Division of State and Regional Planning in the Department of Community Affairs, with further assistance from other departments represented on the Board.

In passing on the diversion of water, the Water Policy and Supply Council will be guided by the Board's master plan and annual reports.

Water Board of Arbitration

4. Establishment of a permanent standing Water Board of Arbitration, an administrative agency with authority to hear and adjudicate disputes having to do with the allocation or construction of water facilities. The right of appeal to our courts would, of course, continue, but this Board can significantly increase the speed with which such disputes are settled.

I shall also submit legislation requesting extraordinary powers for the Department of Conservation and Economic Development in the event of a water emergency.

Desalinization

I am hopeful that a strong bi-partisan effort to achieve these objectives will permit us to say that this administration and this Legislature have joined together to preserve New Jersey's water assets for untold future generations. It should be noted that the State is making every possible effort to utilize desalinization processes and thus develop additional water resources. Initial studies have indicated that the cost of desalting at this time is considerably more expensive than the developing of our present water resources. By the year 2000, however, some method of reusing or desalting water may well be essential. To this end the State is engaged in joint pilot efforts with the Office of Saline Water of the U. S. Department of Interior and with the Public Service Electric and Gas Company.

Construction of the Pipeline

One immediate problem must be resolved: construction of a water transmission line from Spruce Run and Round Valley. As I have indicated, the Legislature in 1962 mandated this task to the North Jersey District Water Supply Commission but did not provide for any State financial support. Although the City of Newark is now reappraising the feasibility and costs of its water supply authority, and although the City's position in its dispute with the Commission has consistently been found without merit by the courts, nevertheless protracted litigation threatens a further delay in construction.

Despite our statistics on projected rainfall levels, none of us can firmly guarantee that an act of God will not put our water resources in peril. We therefore cannot permit any further delay in pipeline construction. If reason cannot prevail and an end to this litigation is not immediately in sight, I shall ask you by new legislative action to provide for a prompt beginning of pipeline construction.

Wild Rivers

The State will move this year, as provided by federal law, to designate specific rivers for preservation of scenic, historic, or recreational sites. The Department of Conservation and Economic Development will include this program in the State outdoor recreation plan, and I shall ask you for legislation to provide further protection for such rivers.

Skylands

During the next decade, the need for recreational resources will increase enormously. Expanded opportunities for fishing, boating, hunting, and camping must be provided for our growing population.

I therefore call your attention once again to the Skylands plan, which I commended to you last year. Much of the land in question has already been purchased under the Green Acres program. Only the additional protection of a Skylands bill will preserve this investment and secure to our citizens these invaluable open spaces, public forests, and woodlands.

AIR AND WATER POLLUTION CONTROL— A DYNAMIC RECORD

New Jersey has rightly earned national recognition for having enacted in 1967 the country's strongest pollution control statutes, and for the fair but firm enforcement of those statutes. The Division of Clean Air and Water in the Department of Health, with substantial assistance from a pollution control task force designated by the Attorney General, has moved vigorously to prevent and abate the contamination of our environment.

In 1968 alone, the Department issued more than 750 administrative orders to persons, firms, and municipalities for the abatement of air and water pollution, and 170 penalty actions were undertaken in cases where violations were repeated or control efforts dilatory. In addition, the Attorney General, on behalf of the Department, successfully moved 48 injunctive proceedings in cases against substantial, continuing sources of air and water pollution. Upon application of the State, the court ordered nine municipalities in Morris County to cease the issuance of building permits until adequate facilities were provided to dispose of liquid wastes generated in these communities.

Improved Air Quality

Last year New Jersey adopted the first statewide regulation of the sulfur content of fuel. It is estimated that conformity with this regulation has already achieved a reduction of more than 280,000 tons per year, or 41%, of sulfur dioxide entering our northern metropolitan atmosphere. Last year as well the more than 6,000 incinerators operating in the State were brought under air pollution regulation.

In cooperation with the Department, industry in New Jersey last year implemented air pollution control devices that will prevent the emission into our atmosphere of 380,000 tons per year of solid particulates, more than 158,000 tons of sulfur compounds, and more than 25,000 tons of solvents, vapors, acids, and other contaminants. This outstanding progress must and shall continue.

Water Pollution Control

Last year the State's new water quality standards were approved by the U. S. Secretary of Interior. The key issues in water pollution control are now the regionalization of treatment facilities and the funding of capital needs. Last year the courts upheld the Department's authority to require municipalities to join together for the construction and operation of regional sewage treatment plants, rather than have each provide its own. The Department has funded and completed engineering studies for most of the State's drainage basins and has produced a plan for regionalization based on topography, population, growth trends, and costs.

As the distinguished Capital Needs Commission observed last year, the State must help defray the cost of these essential treatment facilities. This State contribution, which means so much to communities throughout the State, would be included in a water supply and pollution control bond issue, which, as I have said above, I believe you should authorize this year. Your choice is to permit water pollution in New Jersey to grow still worse, or to act now to end this scourge on our communities.

BUSINESS AND GOVERNMENT—A PRODUCTIVE PARTNERSHIP

The past year has seen dramatic evidence of the highly productive partnership between New Jersey's great business community and State government. The enactment of revisions in the corporation law has ushered in a new era of promise and progress for business in New Jersey. And other efforts by State government in such fields as transportation, education, and urban redevelopment will have enormous significance for a thriving and concerned business community. The forthcoming development of the Hackensack Meadowlands, the South Jersey Port area, and other crucial projects that resulted from our joint action last year will accrue to the benefit of business and government alike.

Landmark Measures in Banking and Insurance

You have passed the so-called branch banking bills, which are designed to provide new avenues of progress to New Jersey's financial community. I have now completed my review of the

three banking bills, and I shall sign them into law shortly at a public ceremony.

The past year has also seen New Jersey become the first State in the nation to implement a property insurance plan for urban areas in accordance with the recommendations of the President's National Advisory Panel on Insurance, of which I served as chairman. This essential program will enable homeowners and businessmen alike in our urban areas to obtain property insurance without which their economic survival would be gravely jeopardized.

Last year as well, in a landmark decision, the Commissioner of Banking and Insurance denied a request for an increase in automobile insurance rates after a vigorous and expertly litigated contest. This decision has already saved the motorists of this State some \$42 million. But severe problems in this field remain, as the increase in automobile policy cancellations has demonstrated. The Commissioner of Banking and Insurance has made it clear that he will not countenance any arbitrary cancellations. But at the root of this problem are structural pressures having to do with the nature of automobile insurance itself. This question merits your serious attention.

I also ask you to vest the Commissioner with discretionary authority to determine the frequency of State examination of insurance companies in New Jersey, while maintaining a requirement for at least one examination every five years. Present law calls for a lengthy examination every three years but fails to recognize variations among insurance companies in reliability and stability. Such legislation will enhance the Commissioner's capacity to perform his regulatory function in the public interest.

Reclaiming the Meadowlands—An Historic Start

One of our finest joint achievements in 1968 was the passage of the Hackensack Meadowlands Reclamation and Development Act, which I proudly signed into law yesterday. The Commission created by this Act can now begin to handle the enormous financial, engineering, planning, and jurisdictional problems that Meadowlands redevelopment will entail.

This Act was passed notwithstanding numerous objections by parties at interest. Indeed, the last-minute insertion into the Meadowlands bill of critically damaging amendments prompted by such objections impelled me to veto this measure conditionally, and you thereupon agreed to return to S-477. I stated at that time, however, and again yesterday, that I am prepared to consider remedial legislation to cure harmful inequities occasioned by this Act, provided that the integrity of the Act, and the capacity of the Commission to perform its duties, will not thereby be inhibited. Today I repeat that pledge.

The Act also contains provisions for the prompt and equitable determination of the State's interest in meadowlands throughout the State. The fair and reasonable process set forth in the Act will permit the settlement of this troublesome problem, which in the past has adversely affected the development of these meadowlands, and will also assure crucial revenues to the School Fund, as provided for in the New Jersey Constitution.

International Trade Corporation

The Department of Conservation and Economic Development and the State Economic Development Council have in the past initiated trade missions to help develop an international market for the businesses of this State. Nevertheless, the complex procedures and trade requirements associated with international commerce have reduced the participation of some of our businesses in this dynamic market.

I am therefore pleased to report that the State, in cooperation with the New Jersey Manufacturers Association, is moving to create a statewide international trade corporation to promote interest in overseas markets and to serve as a clearing house for licensure, documentation, and other information that will be helpful to our business community in its efforts to expand international trade.

Development of Marine Resources

I am also pleased to report that the Department is embarking on a program of oceanographic research and development to help preserve and develop our invaluable marine resources.

TO GUARANTEE OUR PEOPLE'S RIGHTS

You are well aware of the many legislative milestones we have passed on the road to the elimination of discrimination in this State. Last year I urged an accelerated shift in emphasis from legislative to programmatic attacks on the problems that beset our various racial, ethnic, and religious minorities. My proposals in the fields of education, employment opportunity, urban revitalization, and other areas all reflected this purpose—and they do again this year. These proposals require your prompt attention.

Affirmative Action

In addition, within the Division on Civil Rights itself, you authorized the creation last year of an Affirmative Action unit to promote the ability of individual citizens successfully to assert their own full rights. This year I ask you to enact a measure to eliminate the exclusive nature of Division proceedings on behalf of persons whose civil rights have been violated. While the criminal penalties provided by the Law Against Discrimination would remain exclusive of all other criminal remedies, a person whose civil rights have been violated would be free to pursue his own civil remedies or to have the Division proceed in his behalf. This measure will enhance the Division's capacity to carry out its full mandate.

I also recommend that the Law Against Discrimination be amended to authorize the Director of the Division to order reimbursement to complainants who incur provable out-of-pocket loss as the proximate result of violations of this Law. This measure would apply to the inequitable situation, for example, in which a person is denied an apartment on the grounds of race and creed and is compelled to rent other quarters at a premium over the rent he would otherwise have paid. Simple justice demands that such a person be reimbursed to the extent that violation of the Law Against Discrimination has caused him provable out-of-pocket loss.

At present the Division has no jurisdiction to deal with complaints of discrimination on the basis of sex or age. These two

omissions of jurisdiction have put our Law Against Discrimination out of step with the federal Civil Rights Act and also with the realities of the world in which we live. Accordingly, I ask you to amend the Law to correct these omissions.

Migrant Workers—The Need for Decisive Action

This administration has taken a number of important steps to improve the lives of the migrant workers who contribute so heavily to New Jersey's rich agricultural harvest. Legislation enacted in the recent past has mandated minimum wage coverage for agricultural workers, increased floor space in living quarters, pre-certification of migrant housing, and modern sanitation and sewerage facilities for farm workers.

But as the Task Force on Migrant Labor has made clear, further decisive action is essential. To coordinate and make more effective the efforts of all concerned State agencies in this field, I have created an interdepartmental cabinet committee on migrant problems consisting of the Commissioners of Labor and Industry, Education, Health, Institutions and Agencies, and Community Affairs, as well as the Secretary of Agriculture. This administration will also pay close attention to the forthcoming Atlantic Coast Interstate Migrant Panel meeting, which has stemmed from an exchange of views on this matter between the Governor of Florida and myself. Representatives of the Governors of all states in the Atlantic Coast migrant stream will come together for the first time to discuss, from an interstate perspective, the problems of migrant labor. These problems recognize no state boundary lines, and I am hopeful that this conference may impel the states involved to develop a more highly coordinated and effective attack on them.

Legislative Action Required Now

But there are three measures upon which I ask you to act during the present session:

1. Every citizen has the right to expect that the common carrier that transports him to and from work will be adequately maintained and rigorously inspected. As far as vehicles that transport migrant workers are concerned, however, as some tragic accidents have made clear, this right is not adequately guaranteed. I shall ask you for legislation to improve this condition.

2. The New Jersey Constitution states and preserves the right of persons in private employment to organize for the purpose of collective bargaining with their employers. No distinction is made in this constitutional language between farm and non-farm workers. It is clear that, as a matter of law, seasonal farm workers in New Jersey have a constitutional right to form labor unions and to bargain with their employers. Moreover, this right exists notwithstanding the refusal of Congress to extend the protections of the National Labor Relations Act to seasonal farm workers.

I shall submit to you a proposal to ensure this right in two ways: first, by making willful interference with the exercise of rights guaranteed to seasonal farm workers by Article I, Section 19, of the New Jersey Constitution a misdemeanor; and second, by authorizing the Attorney General, upon request of the Commissioner of Labor and Industry, to seek an injunction against threatened or actual interference with the exercise of rights protected under this section. These measures will ensure that the guaranty of the highest law of our State, the Constitution, will extend to seasonal farm workers.

3. The existence of legal questions as to the status of seasonal farm workers has often served to deny these workers rights enjoyed by their non-farm fellow workingmen. There is legal question, for example, as to whether a migrant worker who lives in a camp provided by his employer during the harvest season is a tenant for a period, a tenant at will, or a mere licensee.

The unhappy consequence of these questions is that farm workers are often denied the simple right to have visitors in reasonable numbers and at reasonable hours.

I therefore ask you to grant a statutory right of reasonable visitation to seasonal farm workers. Similar legislation was enacted a year ago in Massachusetts.

I also call your attention to Senate Bill No. 553 of 1968, which would have required employers of migrant workers to insure their potential liability under the Workmen's Compensation Act. After the Senate passed this measure, the Assembly declined to take action notwithstanding expressions of support from the

growers of this State. I ask your prompt attention to this measure in 1969.

EFFICIENCY AND ECONOMY IN GOVERNMENT

I ask you to consider today the adoption for our State government of the federal practice regarding organization and reorganization of the structure of principal executive departments. Under federal practice, the President submits to Congress a plan specifying needed changes in the organizational structure of executive programs. Congress may veto the plan within 60 days of its submission. Otherwise it becomes law.

The tradition in New Jersey of creating by legislation even small State administrative units has led to a certain inflexibility in our executive structure. Adoption of the federal procedure will enable the executive branch, beginning in 1970, to respond quickly to new responsibilities, but will preserve for the Legislature full control over the structure of government. I urge you to take this action.

Funds for the Administrative Procedures Act

Last year you adopted, and I approved in principle, a major revision of the administrative procedures of State government. This measure will enhance the public interest in all administrative actions of State government officials. You have failed, however, to provide necessary funds with which to implement this important program. I urge your prompt action on this matter.

Savings for Local Government

During the past year, the Division of Local Finance in the Department of Community Affairs has helped many municipalities maintain and improve their bond rating. Subsequent bond sales under the newly adjusted ratings have resulted in verified savings of over \$2 million in the last six months alone.

To save further local costs you should consider a measure to authorize, on an optional basis, the combination of State and local orders for equipment, books, or other materials on which bulk rate discounts can bring savings. This concept has been tested successfully in Bergen County, and you should consider author-

izing the Division of Purchase and Property to promote State and local cost savings in this manner.

New Jersey Public Service Education Act

The growing responsibilities of State government require expert personnel, many of them in technical fields in which there is a shortage of manpower and strong competition for able professionals. For this reason, and in view of our pressing need for outstanding personnel to administer our air and water pollution control program, we established the Clean Air and Water Scholarship program.

This plan, which offers scholarship assistance to outstanding young students in the growing field of pollution control in return for work on their part in the Division of Clean Air and Water, is highly promising. Today I ask you to adopt a New Jersey Public Service Education Act that, by means of scholarship and loan assistance programs to excellent students, will extend this valuable concept to other areas of critical manpower need in State and local government. This Act will also enable professional State employees in critical fields to pursue advanced study in their field of expertise.

Commission on Efficiency and Economy

Last year you failed to provide normal appropriations for the Commission on Efficiency and Economy in State Government. This Commission has completed a number of highly useful reports on methods to improve the operations of State government. I trust that you will reconstitute the Commission and enable it to continue its important mission.

JUDICIAL ADMINISTRATION

The judicial system created by Article VI of the 1947 Constitution continues to be one which has flexibility and capacity to meet the problems of a growing burden of litigation. The streamlined procedures incident to that system, our competent bench, and the effective work of the Administrative Office of the Courts have combined to stand as a credit to the reputation of the State of New Jersey.

There is, nevertheless, still room for innovation and change in order to secure that flexibility and growth needed to meet unprecedented pressures from increased caseloads. At this time last year I suggested that the Legislature "consider the possibility of initiating a constitutional amendment to permit the merger of the county and superior courts, bearing in mind that the judges of those two courts already exercise parallel jurisdiction in a number of areas." I renew this request even more forcefully in view of the diminishing difference in the practical exercise of jurisdiction by these two categories of courts.

In April 1968, I recommended that the functions of the present municipal court system be merged into our unified State court system. Recognizing that many practical problems were presented by this proposal, I asked the creation of a commission to study the proposed transfer and recommend the best and most effective course of action. I renew this request.

To the credit of the Legislature, it has increased the levels of judicial compensation to enable the attraction to the bench of many fine and distinguished lawyers. This process of improvement could be completed by overhauling our judicial pension system, and I recommend that course of action at the earliest possible time.

TO INCREASE PUBLIC CONFIDENCE IN GOVERNMENT

It is the public's legitimate expectation that those elected or selected to do the work of government will do so with only a single thought—the public interest. It is the unquestioned obligation of everyone in public service to conduct himself in such a manner as to justify that expectation. As a much-needed and too-long delayed reform of the governmental process, I am strongly recommending that Conflicts of Interest laws be improved.

In 1967 I signed into law Chapter 229. I stated then that this measure was no more than a meaningful first step. I now propose that we complete that journey. Chapter 229 should be amended so as to require that all legislators and all members of the Executive Branch of government having Division-head status or above, disclose for the public record the names of any and all businesses

in which they have a proprietary or substantial financial interest. This amendment would, of course, be an addition to, not a substitute for, existing requirements of disclosure for State employees or members of the Legislature who either deal directly with the State or represent other persons having interests adverse to those of the State.

Code of Ethics

In addition to the necessary improvement of the disclosure law, serious consideration should be given to the enactment of a legislative code of ethics, the violation of which would result in sanctions imposed by an impartial agency. As a minimum, such a code should include a bar against such actions by a member of the Legislature as:

1. Accepting outside employment which he has reason to believe would impair his independence of judgment as to official duties; or
2. Wilfully or knowingly disclosing for pecuniary gain, confidential information acquired in the course of his official duties; or
3. Participating by voting, or other action, in the enactment or defeat of legislation in which he has a personal interest, unless he makes that interest known to the Speaker of the Assembly or the President of the Senate, as the case may be, and certifies that in his opinion he can vote on the measure fairly and objectively and notwithstanding his personal interest.

Further, I would urge you to consider the adoption of a code of ethics which should be binding upon local officials. Manifestly, justice requires that the same norms of ethical conduct apply to these various categories of public officers.

Control of Lobbying Activities

Another matter deserving of immediate legislative attention is the strengthening of the Legislative Activities Disclosure Act. The legislative agent often provides valuable information and assistance to the busy legislator, but the public should know who approaches elected representatives for the purpose of influencing

the course of legislation. Under the existing law, not all persons who engage in lobbying activities are required to register, nor are required reports sufficiently complete. The gaps in the existing law must be closed immediately in the public interest.

I also wish to draw your attention to the fact that under existing law many of the steadily growing number of agencies and commissions at the local government level are not required to file financial reports with the Division of Local Finance. I recommend legislation to provide the needed oversight so that the taxpayers of this State can be assured that their tax dollars are being spent in the most productive and economical way possible.

Other important matters which warrant your prompt action:

1. A return to the 60-day Rule of the Senate requiring that all gubernatorial nominations be acted upon either affirmatively or negatively within that period. No reasonable interpretation of the Senate's Constitutional responsibility to "advise and consent" can be made to justify the inexcusable burden placed upon our judicial system and many administrative agencies when important nominations are permitted to lie dormant for extended periods of time.
2. Adoption of a rule allowing the release from committee of any bill upon petition of one-third of the respective House. The public welfare demands an open and informed dialogue on the questions of the day, and worthwhile legislation should not be bottled up in committees that all too frequently fail to meet. The view that I express here was shared by Governor Alfred Driscoll, who called for a similar Rule in his Annual Message of 1953.
3. The final interment of the caucus system and all that it has come to mean in the eyes of the people of this State, who expect their laws to be written not in secret, but in full public view.

Public Employee Relations—A New Era

Last year, with the adoption of the Public Employees' Relations Act, a significant step was taken toward the establishment of a fair and equitable procedure for the resolution of legitimate public employee grievances. The Public Employees' Relations Commis-

sion (PERC) created by this act will provide a long-needed forum for open discussion and mutually respectful dialogue between government employers and employees. PERC is reporting today to this Legislature on its progress to date, and I know that you will find this report good reason for trust and confidence in this body.

Amendments Needed

I must point out, however, that the Public Employees' Relations Act is sorely in need of amendments to facilitate its administration and to unravel certain conceptual problems that result from unclear language. I outlined many of these defects last year in my conditional veto message, and I shall now forward for your consideration a bill that will substantially improve the law.

Against Destruction of Government

But one matter cannot wait, and I respectfully point out to you today that it requires your immediate action. In my conditional veto, which you chose to ignore, I asked this Legislature to disclaim publicly any intention on its part to permit work stoppages by public employees. In light of a recent judicial development, such a statement is even more essential today. In the opinion of the New Jersey Supreme Court (*Union Beach Bd. of Ed. v. N.J.E.A.*, 53 N.J. 29), the court rebutted the longstanding belief held by many persons, including myself, that Article I, par. 19, of the New Jersey Constitution inhibits strikes by public employees. It went on to point out that while there is a common law bar to such strikes, it is clear that the Legislature has it within its power to grant such a right. The court's opinion, however, cannot be construed as encouraging such a legislative grant of authority, for it pointed out, *inter alia*, that:

"* * * Unlike the private employer, a public agency may not retire. The public demand for services which makes illegal a strike against government inveighs against any other concerted action designed to deny government the necessary manpower, whether by terminating existing employments in any mode or by obstructing access to the labor market. Government may not be brought to a halt. * * *

"* * * Hence, although the right of an individual to resign or to refuse public employment is undeniable, yet two or more may not agree to follow a common course to the end that an agency of government shall be unable to function. * * *

To reassure the public and to remove all doubt, I urge, in the strongest possible terms, that this Legislature immediately declare *solemnly* and *finally* that the public employees of this State enjoy no right to strike. It is a manifest truth that the public, which is the ultimate employer of all of us, is entitled to uninterrupted service from its governmental employees, especially when one considers such vital public needs as police and fire protection, education, institutional care, and public transportation. We must exert every possible and legally permissible effort in defense of that public right, that is, the right of the government to exist at all. The establishment of PERC is clear proof that there exists an alternative means by which employees in public service can express and achieve their lawful and rightful objectives *without* bringing essential government services to a halt.

Fair Settlement of Claims Against the State

I must point out at this time my concern about the present procedure for processing claims against the State. Only today I found it necessary to use my constitutional powers to line item veto certain contested items in the Supplemental Appropriations Bill.

It seems clear that the present system of considering such claims is not fair to the claimant, to the public agency involved, to the Legislature, or to the State itself. Because of the great demand on each legislator's time, few can be involved in a claims procedure, and even these few find it difficult to devote the time and attention that some of these more complicated issues deserve.

For example, one claim approved by the Legislature which I found necessary to veto today involved nine days of hearings before the Appropriations Subcommittee on Claims, with only two members, and often just one member, regularly in attendance. No finding of component facts was made by the Subcommittee,

aside from its eventual conclusion, and its report to the general Appropriations Committee does not contain any statement of findings of fact such as would justify, for instance, a review by any appellate court.

Unlike other items of legislation, the decision by the Claims Committee is more nearly comparable to the verdict of a court than it is to the adoption of ordinary legislation. For the fulfillment of the Governor's constitutional duty he, in fact, must agree or disagree with the judgment of the Legislature in such regard.

It is hardly possible, as in the case of one item in the present veto, to judge the merits of such a complex issue. I feel that a minimal requirement would be the recitation of factual findings which would enable the executive to understand the reasoning under which the Legislature has approved the whole or a large portion of a substantial, complicated claim. Otherwise, it is virtually impossible to fulfill the executive function of approval or disagreement with the terminal conclusion of the Legislature, as in the case of the veto to which I refer. Under present law I have no choice but to reject the issue, for the executive cannot act capriciously with \$1 million of public money.

As another example of the ineffectiveness of the present system, the claims bill to which I refer passed the Senate by a bare majority of one vote, many Senators abstaining on the issue. It is impossible to tell how the members of the Legislature would have voted on each of the unrelated items of the bill had they the full record and findings before them in the same manner that we would expect of any court or arbitration proceeding.

The courts of this State have been expressing more and more concern over the absolute sovereign immunity which now inheres in the State, no matter how much at fault it may be in any transaction.

I therefore urge you not to let another session go by without establishing an adequate claims procedure. It may be that after investigation you will decide that some type of Court of Claims or reliance upon recognized mediation or arbitration machinery is the best approach.

I pledge my full cooperation to find a just solution which will not put the Legislature or the executive in the position of judging claims on an inadequate basis and which will not use the power of the State to abuse the just claims before it, nor to hastily grant such claims regardless of their merit.

BROADENING POLITICAL PARTICIPATION

The New Jersey Constitution states clearly that "all political power is inherent in the people." Yet certain provisions of our present election law actually have the effect of restraining our citizens from full participation in the election process and thus from exercising the power which is rightfully theirs.

It is therefore time to eliminate shortcomings in our election system in order to ensure the broadest participation of our citizens in the political process. This action is especially important in view of the fact that the last revision of our election law occurred in 1930, in the different world of nearly four decades ago. I ask your prompt action on the following measures:

1. Voting machines should be required in all counties. The inconvenience, abuse, and waste of time, money, and manpower associated with the use of paper ballots are well documented and can no longer be tolerated.
2. Mobile neighborhood registration—a system that can help encourage political participation—should be not merely permitted, as under present law, but required in all counties.
3. Registration rolls should not be closed until three weeks before election day, as is the case in New York, rather than the forty-day period that now obtains here. This change will help attract still wider participation in each and every election.
4. The unsound and unjust double standard that permits our youth to die in battle in defense of our country but denies them the privilege of voting if they are between eighteen and twenty-one should be rectified. Our young citizens today are better educated, more highly motivated, and more generously concerned than ever before, and they should have the right to vote.

5. Absentee voting requirements for those confined to hospitals or absent from the State because of college, business, or other commitments should be further simplified.

6. Permanent absentee voting privileges should be granted to all those certified by their physicians to be chronically ill, totally disabled, or permanently bedridden.

7. The burdensome statute requiring all signatures on a petition to be witnessed by five individuals should be corrected. All too often in the past, this requirement has been used to discourage those seeking broader participation within their chosen party and to discriminate against those whose political orthodoxy is questioned.

8. We must eliminate the lack of uniformity in registration and voting standards and procedures from county to county and, indeed, from community to community. To this end I urge you to establish the office of State Supervisor of Elections. I am convinced that considerable economies—and increased equities—can be realized if you will create a State office responsible for the unification, standardization, correlation, and coordination of our entire election law.

CONCLUSION

There are those who suggest that during this year, in which New Jersey will be electing a new Governor and House of Assembly, there should be a pause, a period of watching and waiting, in order not to “stir things up” lest some political advantage be lost or some political risk incurred which will manifest itself at the polls in November. These observers advise us to turn away from our problems, to maintain the status quo, and to put aside for these ten months not just our proper hopes and dreams for New Jersey, but even our plain duty and responsibility to the people. We must pretend, say these counselors, that we have done enough, that all our problems are solved or are not really pressing, that everything is all right, and that the people can be lulled into believing so.

I firmly reject this false and shallow view, and I hope that you will join me in rejecting it. For it grossly underestimates both

the intelligence and the needs of our people, and it is degrading in the extreme to any public official with an ounce of self-respect. We are not somehow magically absolved of responsibility during an election year; our oaths of office contain no such special exception in small print.

On the contrary, I am convinced that it is the performance, not the evasion of clear duty that the people will reward at the polls in any election—including the election this November. My seven years in this State House, which many of you have shared with me, have taught me one lesson above all others—that the people of New Jersey expect their elected representatives to stand up for their rights—to stand up and be counted on the side of principle, courage, and sometimes even sacrifice.

I therefore trust that you will press ahead with me, vigorously and proudly, to do the work that we know we must do for the people of New Jersey.

RICHARD J. HUGHES,

Governor.

January 14, 1968.

Attest:

ALAN J. KARCHER,

Acting Secretary to the Governor.