

*Sixth Annual Message*  
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*Governor of New Jersey*



*To the Legislature*  
*January 9, 1968*

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## Sixth Annual Message

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

I am deeply pleased to transmit today to the members of New Jersey's 192nd Legislature my Sixth Annual Message.

The proposals that I will put forward for your consideration in this Message are designed to enhance the identity that New Jersey has achieved as we have moved in recent years to meet with renewed purpose and resolve our responsibilities to the people. These proposals are in my judgment essential to the strengthening of this new identity, this new sense of pride that all New Jerseyans now can feel in their State. For none of our common objectives—neither excellence in education, nor the rebirth of our cities, nor the cleaning of our air and water, nor the building of a first-rate transportation system, nor the construction of a great network of institutions to care for our less fortunate citizens, nor the conservation of our great natural resources and recreational facilities—none of these goals, which have been outlined in detail by both political parties, can be achieved without constant vigilance, constant support, and constant nourishment by the Legislature. Our commitment, for example, to build a higher education system that will rank among the nation's finest, rather than among its most inadequate, simply can never be realized unless this Legislature, and succeeding Legislatures, devote to this task the concern, and the resources, that its accomplishment demands. And this same degree of concern and commitment must be manifested in respect of our other inescapable obligations to the people.

At this point I wish to alert you to one overriding fiscal concern that bears heavily on the question of whether or not New Jersey will in fact make good on its commitments to the general welfare. Although my budget message will not come before you

until next month, I consider it important to call your attention now to a serious fiscal problem which, according to my best present information, will face us in fiscal year 1968-69. While I shall reserve specific details for the budget message itself, let me observe here that between our projected costs, on the one hand—essential expenditures to which the State is already committed—and our anticipated revenues, on the other hand, there appears to be a substantial gap. Let me further observe that this figure does not include additional program efforts in education, health, or urban development, among other fields, that I strongly advocate as vital to the future of this State. I wish now to apprise you of this projected gap so that you can begin immediately to weigh appropriate solutions. I am eager to join with you fully and promptly in any way possible to resolve these pressing budget questions.

As you deliberate these matters you may find it useful to consider New Jersey's present budget problems in the context of the posture of our sister states in respect of these same questions. As you know, New Jersey has long performed governmental services at a cost that is by any standard the lowest in the nation. Our State tax burden, by the same token, is also the nation's lowest. You are well aware that New Jersey has the fewest State employees per capita in the nation as well as the lowest level per capita of State expenditures.

Furthermore, New Jersey, as you know, is the fastest growing state in the east. It requires as a result a careful pattern of capital expenditures to build the roads, the schools, the colleges, the institutions, the sewage facilities, and other public resources that a progressive society demands. Yet New Jersey's capital outlay per capita remains the lowest in the nation, just over half the rate of Michigan, for example. In fact New Jersey's per capita general revenue burden is the lowest in the nation, and it is especially low in relation to the expenditures of the northern industrial states that resemble us. While New Jersey spends per person less than \$150, comparable states spend in the vicinity of \$250 per person. And as far as the State's contribution to local municipalities is concerned, as you well know, New Jersey once again ranks extremely low.

What do these figures mean to you as Legislators responsible to the public at large? They mean first of all that New Jersey can take pride in its continued economical operation of government. They mean secondly that you can promptly dismiss as inaccurate or self-serving any harangues about so-called excessive State government expenditures. They mean thirdly that we must disabuse ourselves of the notion that the current level of government services—to say nothing of the increased demands made by our citizens—can be maintained on a smaller budget. Any public official who debates these issues must acknowledge that cutting the budget means cutting the salaries of physicians or institutional attendants, reducing the number of State Police, and slashing State aid for education, transportation, or other essential services.

These figures mean, in the fourth place, that New Jersey's longer-term financial obligations, above and beyond its immediate ones, are considerable. I submit to you that in this respect the two years of this and the succeeding Legislature are years of perhaps unprecedented importance for New Jersey. For during these years you will establish patterns for the support of higher education, urban redevelopment, pollution control, transportation, health, and other essential services that may well be irreversible. If, through our joint efforts, we fail to establish sound and adequate patterns of finance—if we fail now to seize what is perhaps the only real opportunity in the next two years, and perhaps in the next six years, to establish these patterns—the State could suffer irreparable harm. For in that time New Jersey could lose more ground in the provision of needed services than it could realistically hope ever to make up, and we would thereby fall from first- to permanent second-class status. Alternatively you and I can meet our obligations, as we have been charged to do. You are in a position, if you choose, to add strength and lustre to New Jersey's new identity and to burnish the pride that we have begun to feel.

Your thorough and candid review of our fiscal problems must concern itself not only with current expenditures, but also with our great backlog of capital needs. You are by now fully familiar



with estimates of those needs by responsible public officials and private bodies alike—estimates that run to very substantial sums. Prominent private organizations, such as the Regional Plan Association, together with many newspapers and private citizens, have pointed to the importance of determining the precise magnitude and priorities of needed capital improvements. They have suggested the appointment of a bi-partisan group of outstanding citizens who would make an objective study of these questions. Above and beyond the responsible estimates of projected capital costs that are now available to us, I consider it imperative that New Jersey receive the benefit of the impartial judgment of a distinguished body of this kind. To this end I will shortly appoint a Commission to Evaluate the Capital Needs of New Jersey. The great relevance of this Commission's recommendations to possible action by this Legislature will impel me to request the Commission to submit within sixty days its determination of the magnitude and priorities of our capital needs. The Commission may wish to refine its recommendations, without changing their character, in succeeding months, but this prompt report is of the highest importance. For I am convinced—as I believe you are—that further delay in responding to these capital needs may undermine the continued growth and prosperity of the State and the welfare of its citizens.

As I weigh these problems that you and I have before us during these next two years, I am reminded of the words of my distinguished predecessor, Woodrow Wilson, at the very beginning of his term as Governor:

“We have got the problems of the country in such a form that they are raised to their highest degree of difficulty and complexity. Very well—what is the moral? That we in New Jersey have got to show the country how these problems are to be met and settled.”

What indeed is the moral for New Jersey—and for you, the Legislators who represent its people? I cannot believe that your strong disposition is anything else than to “show the country how these problems are to be met and settled.” I cannot believe that you will tolerate any compromise of New Jersey's new identity

or of the reawakened pride and self-confidence that our people now feel. On the contrary I believe that this Legislature, controlled in an almost unprecedented way by one major political party, is fully alive both to the promise of responsible action and to the danger of careless neglect. And I am convinced that together—to the grave disappointment of cynics and naysayers—you and I can achieve for New Jersey a new level of excellence, a higher standard of achievement that will issue from firm bi-partisan action on behalf of the people. I have pledged to you before my full willingness, and indeed my eagerness, to work with you in quest of this greatness for New Jersey. Today I rededicate myself to that commitment in the hope that together here today we shall mark the beginning of an historic joint effort by the Executive and Legislative branches fully to vindicate the powers vested in us by the people of New Jersey.

#### LAW ENFORCEMENT AND CRIME CONTROL

There is no area of public concern about which the people of the State of New Jersey expect, even demand, greater bi-partisan effort than the area of law enforcement. During my Administration I have advocated and seen implemented such measures as gun control, uniform crime reporting, stiffer narcotics laws and mandatory police training, each of which has served to strengthen our attack upon the forces of crime and lawlessness. The majority party in this Legislature has consistently expressed a desire to do more in this regard and more is in fact needed. I therefore invite this body's scrutiny of existing programs, its suggestions for new ones, and its early consideration of measures which I will shortly put before it, for the preservation of law and order is the primary undertaking of civilized man and certainly must concern every responsible elected official regardless of party affiliation or geographical location, urban, suburban or rural.

#### Organized Crime—Continuing the Fight

In recent months public attention has been focused on the activities of organized crime in this State. This recent public awareness does not betoken a lack of prior official concern and

activity. For years law enforcement officials in New Jersey have vigorously sought to root out organized crime and they will continue to do so. But if those efforts are to achieve maximum success, additional weapons, designed specifically to combat organized criminal activity, must be added to the arsenal of law enforcement officials. For instance, one of the outstanding characteristics of organized crime is that it recognizes no geographical limitations or boundaries. Municipal, county and state lines are blurred in its operation. Thus, a consolidated and regionalized response on the part of government is necessary. This Administration has initiated conversations with neighboring states concerning the establishment of a mechanism for interstate cooperation in the fight against organized crime. Patterned in part after the New England States Law Enforcement Compact, this proposal, if adopted, would create a central criminal intelligence bureau and formalize co-operative efforts among the state police agencies of member states. It is my hope that this Legislature will favorably consider the necessary enabling legislation to effectuate this plan when agreement has been reached with our neighboring states in the Mid-Atlantic region.

The indictment procedures in our State are established within the limits of county boundary lines. While county-oriented law enforcement is sufficient in most cases, it cannot adequately cope with a network of organized crime operating simultaneously in several counties. In order to combat effectively multi-county organized criminal activity, I suggest that legislative authorization be provided for the creation of regional grand juries to be convened under the supervision of the courts, with the Attorney General being given the authority to subpoena witnesses.

Other measures deserving of legislative consideration in this area are:

—Passage of a witness immunity law which, under proper constitutional safeguards, will provide a method of piercing the veil of secrecy surrounding the activities of organized crime;

—An intrastate anti-trust law to be used to protect honest businessmen against the intrusion of organized crime into

legitimate business through extortion, intimidation, monopolization, and collusive bidding;

—Legislation against the practice of loan sharking which, according to the President's Commission on Law Enforcement and Administration of Justice, provides the second largest source of revenue for organized crime;

—The creation of a blue ribbon commission to review the criminal statutes of New Jersey to ascertain whether increased penalties are needed against bookmaking, prostitution, and narcotics traffic as a means of making the operation of organized crime more costly, and further to determine whether the time of prosecutors and the courts is being wasted in handling other offenses which more properly should be considered disorderly persons violations or which warrant medical rather than criminal treatment, such as alcoholism and narcotics addiction;

—Legislation requiring the disclosure of information regarding the backgrounds of those in formal or real control of businesses bidding on government contracts to counter the risk that the public may unwittingly be supporting organized crime which may have infiltrated legitimate business.

### Civil Disorders

The scope and immediacy of the breakdown in law and order facing this State and this nation could not be more dramatically illustrated than by the unfortunate incidents of civil disorder which erupted in our cities last summer. There are very real and very serious social and economic inequities forming the backdrop for such disturbances which re-emphasize the need for a massive effort to achieve social justice for all. America cannot exist as two nations—one rich, the other poor—one white, the other black. But neither can we allow anarchy to replace law or chaos to succeed order. We cannot and will not allow civil warfare on the part of a small group of individuals—black or white—to threaten the lives, the property, the liberty of the vast majority of good people of all races. Every resource of government—executive, legislative and judicial—must be brought to bear to restore us as “one Nation,



under God, indivisible, with liberty and justice for all." No lesser commitment is possible if the families of New Jersey are to live in peace, as is their God-given right, and the streets of our cities and suburbs made safe so that children may be raised in a decent and secure environment. It must be the goal of this Administration and this Legislature, and every future Administration and future Legislature, to achieve that end.

With the fervent desire that we may be able to avoid further catastrophe such as occurred in Newark last summer, it is nevertheless incumbent upon me to suggest certain precautions which should be taken in order to limit the scope of any disturbances which might occur. This Administration is presently evaluating the problem posed by existing security measures for the safeguarding of weapons concentrations. We must devise means to ensure additional protection for places such as arsenals, pawnshops, and wholesale and retail supply houses to minimize the opportunity for the theft of weapons. Additionally, it appeared during the course of last summer's disturbances that effective communication between State and local police agencies was hampered by the absence of uniform radio frequencies. While the question of the assignment of radio frequencies is within the province of federal officials, it is my intention to take all possible action to improve the police communications network in the State of New Jersey. I will forward for your consideration any legislation which may prove to be necessary on these two subjects.

### **Police Professionalism**

As we seek to combat the sophisticated efforts of organized crime and to halt the rising tide of violence in our cities, a new public commitment to those who stand sentinel to civilization—the police—is essential. The public must be willing to provide the incentives necessary to recruit for police work persons who are trained in scientific methods of crime detection and skilled in the delicate tasks of community and human relations. Our police forces must be modernized and provision made for the sharing of information and expertise among municipal police departments, particularly the small departments, to the end that existing high levels of efficiency may be enhanced and economies effected. For

the height of our efforts and the measure of our achievement in meeting the problem of crime will be determined by our success, or failure, in developing a greater sense of professionalism among our police and a greater awareness of that professionalism among the public. The respect for the police officer which once prevailed throughout our nation and which has somehow been undermined by the complexities of modern life can be restored only when all recognize that police work is an honorable profession. As such, professional police work cannot tolerate in its midst the occasional officer who fails to apply a single standard of justice to all men regardless of race or financial circumstances, or to possess that integrity upon which all respect is based. The vast majority of law enforcement officers are honest, fair, and dedicated men who deserve the confidence, support and respect of all good citizens. If that confidence, support and respect are not forthcoming, society will pay a heavy price.

In the recent past, our efforts to improve the quality of law enforcement have led to the creation of the previously mentioned mandatory police training program, a Chair of Police Administration at Rutgers, and in-service training programs throughout the State. In the wake of last summer's rioting, a special training school for policemen was established where the latest, and most effective, techniques for the control of civil disorder are taught and where emphasis is placed on the need for improved police-community relations. But it should be noted that the ultimate purpose of this school transcends the problems of civil disorder, and that it will evolve into an educational facility for the policemen of this State which will bring to each of them the latest developments and techniques in the unrelenting battle against crime in the same way that our other on-going training schools are doing.

I now suggest that our efforts be redoubled in this direction, and I specifically propose that a scholarship program be established for members of our various municipal police departments to assist those who are desirous of furthering their education and who demonstrate aptitude for higher learning. Special incentives should be provided for those officers who wish to make use of our fast

growing network of community colleges for part-time study leading to degrees. Financial incentives by way of promotion and increased salaries should be made available to those who avail themselves of this opportunity to attend college. In this way, an ambitious and capable young man will join a police force knowing that unlimited career opportunities are before him.

Police professionalism can be further enhanced by provision in the law for hiring young persons between the ages of 18 and 21 to serve as unarmed uniformed police cadets, who, at an early age, will receive training which will enable them to advance into regular police ranks. To the extent that recruitment is possible in disadvantaged areas, a police cadet program would have the added advantage of fostering police-community relations. Consideration must also be given to the hiring of civilians to perform routine, time-consuming, and burdensome police chores and thereby freeing able-bodied policemen for duty on the streets to meet the rising rate of crime in our suburbs as well as our cities. I will offer the needed amendments to the law for your consideration in the near future. The man-hours of our over-extended police forces must be conserved, and I have recently asked the Administrative Director of the Courts to suggest to the judiciary that serious consideration be given to means by which police witnesses may be enabled to minimize the idle time spent waiting to testify.

Respect for law and order is also engendered when the citizenry knows that justice is fairly administered irrespective of the financial condition of the defendant. Last year the State of New Jersey, in enacting the first statewide public defender law in the country, took a giant step toward that goal. In its first major test, the system was severely tried and fully met its challenge in the disposition of the large number of criminal complaints emanating from the civil disorders of last summer. In this regard, the members of the bench and bar are to be commended for their unstinting support and unselfish effort in assisting the Office of Public Defender in that difficult task. It should be noted, however, that a subsequent decision of the United States Supreme Court involving the rights of juveniles to counsel in cases in which they face prolonged loss of liberty requires that our existing public defender law be expanded.

I will offer appropriate legislation for your consideration in the near future.

### **New Jersey Council Against Crime**

As I have indicated, the threat which criminal activity poses to the people of New Jersey is broad in scope and complex in detail, and the struggle against it will tax the ingenuity and the resources of all of us. While law enforcement is peculiarly the responsibility of state and local government and must remain under the control of those agencies, there is no question that the financial assistance of the federal government is both essential and desirable. President Johnson has called for the enactment of a "Safe Streets and Crime Control Act" which would provide the needed assistance. It is expected that this legislation will secure the final approval of Congress at its next session and that substantial sums of money will be made available to the states for planning, police training and research, and enforcement purposes. In order that New Jersey will be fully prepared to take maximum advantage of this federal legislation at the earliest opportunity, I have created, by executive order, an agency composed of eminent persons broadly representative of law enforcement and local government in this State, as will be required by the federal law. These outstanding leaders in law enforcement will be joined in this vital enterprise by some of the most distinguished of New Jersey's citizens. I have asked the Attorney General of the State of New Jersey to serve as chairman of this agency, which is called the New Jersey Council Against Crime. As I have indicated, all branches of government—executive, legislative, and judicial—must be involved if the elimination of crime is to be realized. I am therefore especially pleased to note that the Administrative Director of the Courts has agreed to serve, and to further this joint effort I have also asked the President of the Senate and the Speaker of the General Assembly to become members of this distinguished and essential body.

Several months before the passage of the Economic Opportunity Act of 1964, I took similar steps to ensure New Jersey's prompt and full participation in that program. As a result New Jersey created the nation's first State OEO and succeeded in securing some \$28 million—two and one-half times our normal state



allocation—during the first year of that program alone. In addition the New Jersey OEO quickly became known as the most effective such office in the country.

Similar advance work by my Model Cities Task Force before the final passage of the Model Cities Act resulted in the submission of applications for this valuable program by nine of our cities, approval of three applications in the first round, and the promise of additional approvals in the second round.

I believe that New Jersey can record similar success with the forthcoming Safe Streets and Crime Control Act by moving ahead now with this same careful advance planning. For this reason I have appointed the Council Against Crime to enable New Jersey—at both the State and local levels—to be prepared to put forward the strongest possible plans for improved law enforcement and crime control on the very day that Congress enacts this law.

My hope is that New Jersey will be the first state in the nation to respond fully to the challenge of this major Federal effort to strengthen local law enforcement. My further hope is that this advance preparation will result, as with other major Federal programs that we have implemented in New Jersey, in prompt and well-conceived requests for financial assistance under this law and grant awards substantially larger than those which the State might normally expect to receive.

In furtherance of its responsibilities under the federal act this Council will, in addition to overseeing the administration of federal grants coming into the State under the act, direct its attention specifically to a number of questions. I have asked the Council to:

- develop a comprehensive state-wide plan to carry out new and innovative approaches for the improvement of law enforcement and criminal justice throughout the State;

- define, develop, and correlate programs and projects for the State and units of local government for the improvement of law enforcement and criminal justice;

- suggest means for improving the training and qualifications of personnel engaged in law enforcement;

- examine and appraise on a continuing basis the administration, enforcement, and operation of all state and local laws, ordinances, and regulations relating to crimes and offenses;

- initiate and from time to time conduct state-wide law enforcement conferences for the purpose of accomplishing greater coordination and uniformity of law enforcement procedures;

- inquire into the problem of recidivism and formulate methods for the rehabilitation of criminals, with particular emphasis on the feasibility of work-release programs and the need for improved probation and parole services; and

- establish priorities for the improvement of law enforcement and criminal justice throughout the State.

It is my belief that this agency, composed as it is of highly respected and knowledgeable persons, will develop new ideas, foster increased effort, and faithfully reflect our urgent concern to provide in New Jersey a climate of full respect for law and order.

### Rehabilitation—The Road Back

One phase of the crucial effort to combat crime must concentrate upon the development of correctional programs which will assist convicted criminals to achieve rehabilitation and assume constructive roles in society. Last year, approximately 14,000 individuals were involved in such treatment programs under the auspices of the Division of Correction and Parole of the Department of Institutions and Agencies. Unfortunately, we must expect that even more persons will require such services in the foreseeable future. The quality, as well as the quantity, of rehabilitative care must become increasingly sophisticated as we incorporate theoretical and technological advances in the field.

The new Youth Reception and Correction Center at Yardville, which will soon be dedicated, provides us with an important and worthwhile new tool for the rehabilitation of young people involved in crime. Regretfully, in New Jersey and throughout the nation, the age group under 18 is associated with the most rapidly accelerating percentage rate of crime. It is shocking but true that the involvement of young people in criminal activities is increasing

at a pace more than three times their percentage increase in the national population. We may expect that the new Yardville Center will provide New Jersey with a major step forward in assisting these young people, having served their correction terms, to become useful and contributing members of society. In addition, the residential unit for children 13 and under at Skillman will help to relieve overcrowding and provide care for youngsters who are now committed to the State Home for Boys, along with other adolescents.

Diversified correctional programming has also been strengthened by the development of three community half-way houses for correctional inmate facilities which provide a vital link between institutional confinement and productive community life for the youths they serve. Another new and significant tool is the development of camps for inmates of the State Homes at Jamesburg and Clinton. There is an on-going effort, under the direction of the Department of Institutions and Agencies, to re-evaluate and improve parole service programs so that they may fulfill their potential as effective instruments in the reduction of crime. I have long believed that no taxpayer's dollar can find better investment than in the expansion of parole and probation guidance away from crime and toward society.

We are developing progressive new programs for the treatment and rehabilitation of narcotics addicts and convicted sex offenders consistent with advanced procedures. A specialized unit under the psychiatric supervision of the New Jersey Diagnostic Center has been established within the State Prison at Rahway, thus implementing the recommendations of a committee established previously by the Legislature to study the treatment of sex offenders. The need for these new programs is great, and we must plan for their substantial expansion in the near future.

All of these accomplishments are cause for optimism that we are making progress in our offensive against lawlessness, but it is obvious that we are still far from reaching our goal. The safety and well-being of the people of this State requires that we continue to expand our facilities, to re-evaluate and modernize our programs, and to investigate improved rehabilitative services and to implement them wherever feasible.

## URBAN INVESTMENT—PHASE TWO

New Jersey today faces the twin problems of growth and decay. Many of our cities are old and densely populated. We are the only state in the east that is growing faster than the national average. Many of our newer communities are growing at a rate that is unequalled throughout the country. Thus, almost all New Jersey communities face major problems associated with either growth or deterioration. These problems seem to require an ever-increasing amount of public expenditure and attention.

This situation is compounded by the fact that our needs are growing faster than local revenues. And, as if this weren't enough, it is those services that require the greatest per capita expenditures for which the needs are growing fastest. These trends appear irreversible. Because they press upon us, expenditures in New Jersey may have to increase substantially in the next ten years—according to some estimates by as much as 75 per cent—if the scope and quality of service is to increase by only 25 per cent.

Increasingly, local communities look to the State for the solution to many of their problems and it is obvious that the State must accept a larger role. In an urban state like New Jersey, the problems of growth and decay impinge on virtually every municipality. No one can view the difficulties of another community, no matter how distant, as misfortunes unrelated to his own well-being.

### The Record

Because the manifold concerns of our communities threaten to overtake them, State government has accepted a larger role in solving local problems. This imperative was reflected two years ago in the creation by the Legislature of the Department of Community Affairs and the mandate given to it.

In its short existence and with limited resources, the Department of Community Affairs has achieved a notable record of success in a variety of major undertakings in our communities. The Department has been able to bring considerably expanded



federal and foundation resources to New Jersey. Still more importantly, the Department has opened the door for private enterprise to participate in meeting the enormous challenges posed by our cities and has shown that relatively small expenditures of public monies can be the catalyst for far greater private effort.

In Newark today, 270 garden apartments are under construction through the joint efforts of the Prudential Life Insurance Company and the Department of Community Affairs. New Jersey thus became the first state in the nation to put into effect the insurance industry's pledge to invest one billion dollars in our central city areas.

In Camden, a non-profit corporation composed of four banks, the Campbell Soup Company and RCA has received a grant from the Department to rehabilitate housing. A related undertaking has been organized by an association of clergymen, also with the help of the Department. Fine old houses which were boarded up are now comfortable dwellings.

Similar results have been registered throughout the State—in Hoboken, in Newark, in Trenton.

In the next few months, I expect that in every major city in New Jersey, leaders in business and civic affairs will announce plans to form Urban Development Corporations. This heartening commitment by the private sector will continue to receive encouragement and support from the Department of Community Affairs.

The Department is working with private industry in the field of employment as well. An Urban Development Corporation which concentrates on providing employment opportunities for city residents has been formed in the greater New Brunswick area by Johnson & Johnson and other major employers.

Through a cooperative program with the Department of Education, 4,000 persons are receiving literacy instruction this year in preparation for on-going public and private job-training programs. For the first time, these employment programs can reach that sector of the population which most requires the opportunity to qualify for steady jobs.

Additional projects are also in operation to test important new departures for the revitalization of our cities—projects to rehabilitate narcotics addicts, to prepare minority group members for service in municipal police and fire departments, to restore purpose to the lives of the elderly by having them care for institutionalized children, and to help equip high school guidance counsellors for their increasingly demanding tasks in our urban school systems.

In New Jersey, a major portion of revenues for government is raised and spent at the local level. The Department of Community Affairs has worked with local officials in scores of communities, large and small, to help them improve the quality and effectiveness of local government so that local taxpayers can be assured of receiving full value for their tax dollars.

By using its Office of Community Services and many qualified professionals working at the local level in New Jersey, the Department has prepared management studies and improved operating procedures in personnel administration, capital budgeting, purchasing, municipal organization, electronic data processing, and many other essential functions of local government. More than half of New Jersey's 567 municipalities have prepared master plans with the assistance of the State Planning Division.

The Department of Community Affairs has made a special effort to assist local governments in their quest for federal funds. It has expedited grants in urban renewal, water and sewage facilities construction, police-community relations, manpower training, economic opportunity, neighborhood facilities—in short, in the entire spectrum of available federal assistance.

The State has made a major commitment to the Model Cities Program of the United States Department of Housing and Urban Development, and we are gratified that New Jersey won more than its share of Model Cities designations last November when Newark, Trenton and Hoboken were selected from among the nine cities that applied. I was delighted to announce last month that the remaining six received State Model Cities grants, thus permitting them to remain in competition for the major federal grants to implement the Model Cities program. Some 13 cities

are now beginning or perfecting their applications for this program with assistance from the Department of Community Affairs, and we expect that a number of them will be rewarded in the second round of this major federal urban program.

Finally, I call your attention to the highly successful program of Interns in Community Service, under which 80 exceptional young people were afforded first-hand experience in local government last summer. These able young men and women brought new enthusiasm and vitality to many local government activities, and New Jersey will be reaping the benefits of this investment in our youth for many years to come.

I have mentioned these few benchmarks of progress to emphasize what I consider to be the exciting success of this new Department in a remarkably short time. It has developed the ability to work to productive advantage with the entire community—with local officials, business, labor, civil rights groups, anti-poverty agencies, and civic and community associations. It has demonstrated its competence in the full range of programs that together represent the comprehensive approach that the solution of our urban problems demands.

### The Commitment

I am under no illusion that these few heartening examples represent more than the beginning of an upward trend in the solution of our urban problems. Furthermore, I am aware of the limited funds available for urban programs at all levels of government. But it seems to me, as it must to you, that in this one area, perhaps above all others, the State simply cannot abrogate its inescapable responsibilities. I therefore propose for your consideration a program which, though modest in relation to the needs at hand, will nevertheless be of sufficient size and scope to alleviate some of the concerns that weigh most heavily upon our communities, large and small alike.

I will propose a demonstration program of rent supplements for those families who are compelled to find new homes because of public projects. New highways, public institutions, and urban renewal are of great benefit to the State-at-large, but they inevitably

bly impose great hardships on those families who are forced to relocate to make room for them. In many cases, the housing that is given over to demolition cannot be replaced, and families are left without substitute housing which they can afford. I propose, through a rent supplement program, to employ the operation of the private market, on a demonstration basis, to alleviate this unfortunate condition, which has created great inconvenience for some of our citizens and in addition has delayed the completion of important public projects.

Relocation is one of the thorniest urban problems of our day. A system of rent supplements is one rapid and effective solution. But a program of this kind can have further major benefits. A rent supplement program can revitalize the lagging real estate market in some of our urban areas. It can also enable New Jersey to tap extensively the one billion dollar insurance pool to which I have referred. This pool has received limited application throughout the country because many urban families cannot afford the type of housing that the insurance industry is able to sponsor. These additional factors argue strongly for a demonstration program of this kind, and I commend it to your attention.

I have already described the initial accomplishments of New Jersey's housing demonstration plan. In the field of housing, where projects normally require years for completion and where the needs of the poor have not been adequately served by public or by private efforts, this program has recorded encouraging results in a number of cities in a few short months. It promises to become our single most effective weapon to halt the deterioration of our older cities and to restore them as thriving centers of population. By this summer, I expect that hundreds of housing units in communities throughout the State will be near completion thanks to the housing demonstration fund. I will shortly propose that we replenish and expand this fund and I will ask business, labor and civic associations to join with State government to take maximum advantage of this essential tool for progress.

Earlier in this Message, I referred to the heavy fiscal burdens of our local units of government. Nowhere do these problems restrict progress more sharply than in urban renewal. The local



tax base, especially in the hard-pressed cities that most require renewal, is often unable to accommodate the immediate expenditures that devolve from urban renewal projects. Pursuant to the Urban Renewal Assistance Act of 1967, I will request that you enable the State to share, to the extent feasible, with local governments the burden of renewal, to make a start.

Another important program that I will propose for your consideration is assistance to local governments for code enforcement programs. To implement the revised housing and building codes that the State will soon adopt, I will also recommend efforts to help communities develop and improve local housing inspection units. The value of these efforts is clear, for effective maintenance of property now will forestall the high cost of demolition and renewal in the future. I should perhaps observe at this point that the severe violations of which some tenement landlords are guilty—as opposed to the honest majority of such landlords—are abuses that we cannot permit to continue.

With a combined program of middle income housing, rehabilitation, rent supplements, urban renewal, and code enforcement, the State will be able to help local communities move decisively to create a better environment for their residents. But this advance will not suffice if we neglect the problems of our unemployed, our restless, and our hopeless people. I will propose that the Department of Community Affairs undertake a series of youth employment programs to complement its current operations in the manpower field. Furthermore, I will propose a state-wide system of day-care centers so that those women who seek employment can go to work without neglecting their young children.

At the same time, we will continue to work with local governments in our smaller communities to help them make the best use of their limited resources. The Department of Community Affairs will add a municipal management consultant team to its staff. It will also help communities to introduce data processing procedures.

New Jersey's rapid population growth compels us now to review our land use laws and their effect on our physical development. In many respects these laws are antiquated, and a major review

of their content and provisions is in order. This review is already underway by the Department of Community Affairs, in cooperation with a committee of organizations with a major interest in our land use laws, including municipal attorneys, planning groups, agricultural units, utility companies and consumer associations. I have asked the Department and this committee to accelerate its work in order that a proposed revision of New Jersey's land use laws can be placed before this Legislature within three months. While I do not seek hasty action on these proposals, I believe that the urgency of this revision is such that I would hope the Legislature would consider it during the current session.

## EDUCATION—

### THE CONTINUING QUEST FOR EXCELLENCE

The twin goals of educational excellence and full educational opportunity for all New Jerseyans have been primary objectives of this Administration, and the past year has seen substantial progress toward their achievement. We have established a new Department and Board of Higher Education, which has designated a board of trustees for each of the State colleges. We have significantly enlarged our scholarship and loan programs, including an incentive scholarship plan. We have expanded opportunities in higher education, especially through a substantial financial commitment to our flourishing and burgeoning network of county community colleges, and we have acted with determination to accelerate the transformation of State colleges into strong liberal arts institutions. In short, New Jersey has now made firm its commitment to educational excellence and has established mechanisms to achieve it. But excellence in education is possible only through energetic and sustained financial support over a period of years, and I am confident that support of this kind will be forthcoming from this Legislature.

The new Department of Higher Education is now at work on the development of a master plan to guide the future course of our public higher education system. We may look for the completion of that plan later this year, and we may expect that it will

provide us with carefully conceived suggestions for necessary action.

The State Scholarship Commission has called to my attention a major area in student assistance programs which does not now receive adequate coverage. Under present law, highly qualified young men and women in New Jersey who lack the financial resources for college have available to them either scholarship or loan programs. But the Scholarship Commission believes that a significant group of especially able students who have severe financial need and who are, at the same time, educationally or culturally deprived, also seeks and could benefit greatly from a college education. There are many young people among the college age population of this State who are capable of doing fully satisfactory college work if they receive a reasonable degree of guidance and assistance. I believe that providing for these young people a *second chance* to gain access to higher education would be a highly worth-while investment for our common future, and I shall therefore ask the Legislature to consider a supplemental scholarship program to provide selected students from poor families with both scholarship grants and special programs of remedial education at New Jersey colleges. With your support, I believe that such a program will further us rapidly toward the day when no qualified New Jerseyan will be denied the chance for a college education. To this end, I shall in addition submit to you other proposals to strengthen our scholarship and loan programs.

In elementary and secondary education the past year has seen further encouraging advances on many fronts, most notably in State aid to local school districts, which has nearly doubled, in strengthened vocational education, and in improved programs for handicapped children. If we are to continue the stimulation of educational quality throughout New Jersey, we must begin now to provide for a systematic research and development program to set the promise of this nation's great technological strength against the array of educational problems that beset us—including high dropout rates in many districts, disappointing levels of reading achievement on the part of many students, and above all the overriding need to improve the quality of instruction afforded all our children at the lowest possible cost consistent with this purpose.

If they are to overcome these problems, all local school districts must have somewhere to turn for expert advice and independent evaluation *when they seek it*. I therefore propose the gradual establishment of regional research and demonstration centers to be located throughout the State and 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 United States Office of Education but addressed specifically to the special needs of New Jersey's own urban, suburban and rural schools, these centers can begin to apply to the enterprise of public education in New Jersey the same research and demonstration techniques that have enabled the private sector to register unparalleled achievements in efficiency, effectiveness, and improved performance on behalf of the American public at large. New Jersey's regional educational centers, in the same fashion, will 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.

Last year saw the establishment of the pioneering Urban Education Corps, which has addressed itself firmly to the grave problems of teacher shortages, especially in our urban areas. By the end of the current school year approximately 50 corpsmen will be teaching in our public schools. Plans are now underway for a summer institute program at one or more of our State colleges to provide special training for present and future corpsmen. My hope is that in the next two years New Jersey can look to an Urban Education Corps of some 500 members with a strong summer education program to prepare them for their crucial and difficult assignments. I look to your continued support for this essential program.

Of special concern in this connection is the grave shortage of teachers fluent in both Spanish and English. There can be no doubt that such talented instructors are essential to a number of our school districts. I shall submit to the Legislature in the very near future a proposal to answer this critical shortage of bi-lingual teachers in our schools.



Another major educational task that confronts us is to help especially hard-pressed local school districts find the resources to construct new school buildings which their needs require but their means prohibit. I believe it is essential that the State assist those local school districts which have already fully extended or over-extended themselves in an effort to meet their responsibilities, as reflected in exhausted lending capacity and other indicators, or which labor under extraordinary school construction burdens. At my request the State Board of Education has examined this pressing question with care and has recently submitted a detailed proposal to promote school construction in those areas of the State that require it most. I commend this important proposal to your attention.

I am deeply gratified by the willingness of some of our most able citizens to dedicate themselves to a wide range of vital assignments in the public interest. One current example of this pattern is the Governor's Commission on Public Broadcasting, whose distinguished members are hard at work on the development of a plan for educational television and radio in New Jersey. Public instructional television and radio are a resource whose potential for the enrichment of our lives in the instructional, professional, cultural and civic spheres has barely been explored. The report of this Commission, which will have important implications for the future of education and communications in this State, will form the basis of legislation that I shall place before you later in this session.

After many decades of delay, New Jersey has now firmly embarked on a progressive course in the field of medical and dental education. The two-year medical school at Rutgers has now received authorization to become a four-year institution. The New Jersey College of Medicine and Dentistry is now on the verge of becoming a fully operative institution that will redound greatly to the credit and advantage of the entire State, and especially of the citizenry of the State's largest city, where it is located. I am confident that this Legislature, sharing the deep concern of previous Legislatures, will overcome past inaction in this critically important field and develop the facilities for medical and dental education which the needs of our 7 million citizens demand.

## THE CONSUMER—A FAIR DEAL

Almost one year ago, I pointed out to the Legislature that *Caveat Emptor*—let the buyer beware—could not be permitted to continue as our policy in the area of consumer affairs and that it was the duty of government to take every reasonable step to assure that our citizens obtain a dollar's value for each dollar spent. The 191st Legislature responded to the demonstrated needs of consumers by passing such important measures as an amendment of the Small Loans Act to require the disclosure of true interest rates; a milk dating law to give the housewife greater assurance that she is purchasing a fresh commodity; increased penalties for violation of the Real Estate Syndication Law; a law requiring the posting of hotel rates; a state securities act; and, perhaps most significantly, a law creating a one-stop agency for consumer complaints—the Office of Consumer Protection. I have every reason to hope that this 192nd New Jersey Legislature will be equally responsive to the further needs of consumers as set forth in this Message.

Through the vigorous efforts of the Attorney General and also of its Director, the Office of Consumer Protection, in the short time it has been in existence, has proven to be a highly effective voice for the consumer. At present, the Office is handling more than 600 complaints per month and obtaining satisfaction for duped purchasers in the amount of nearly \$40,000 per month. But equal in importance to the success which it has achieved, is the fact that through its experience a number of shortcomings in existing consumer protection law have been exposed and the need for remedial legislation highlighted.

### The Holder in Due Course

Cases in the files of the Office of Consumer Protection document the need for the modification of the "holder in due course" rule as it applies to consumer installment sales. Under present conditions an unsuspecting buyer may be forced to pay full value for defective merchandise or incomplete repairs because his debt has been transferred to a third person. Consider the following example:

Mr. Smith owned a home which was basically sound and valuable, but whose exterior evidenced years of wear. He decided to improve the exterior and called on XYZ Aluminum Products, Inc. In September of 1966, he agreed to a home repair contract which obligated him not only for \$7,300 worth of repairs but also \$3,207.56 worth of credit charges. The credit cost represented \$7,300 financed at  $6\frac{1}{2}\%$  over 84 months, or 7 years, for a total interest cost of  $45\frac{1}{2}\%$ . Unknown to Mr. Smith, the XYZ company discounted the financing agreement to a third party—an investment corporation. Sixty days after the contract was signed and before work was even begun, Mr. Smith received a coupon book for 84 payments at \$125.09 per month. It is now more than a year since the contract was signed. The repairs have still not been completed, but the investment corporation demands its monthly payment and refuses to be held in any way responsible for XYZ's non-performance on the contract. Mr. Smith possesses a half-finished house, but because the financing agency claims to be a holder in due course, he must continue to make payments or risk losing his home.

Although the holder in due course rule affects all consumers who buy on credit—both rich and poor—it is more oppressive to the poor. The poor are far more prone to credit buying and are more likely to be sold shoddy merchandise and to be deceived by false claims. Furthermore, the better-educated, more affluent consumer is better able to pursue his remedies directly against the seller. The poor consumer often lacks the knowledge, the time, the financial resources, or the psychological attitude necessary to bring action against the seller, who may even be a fly-by-night operator who disappears or goes out of business shortly after the sale. It should be noted, however, that consumers of average income, who constantly struggle against rising costs, are also vulnerable to severe damage from practices of this kind.

While the courts have often recognized the manifest injustices resulting from the application of the holder in due course rule and have frequently found ways in which the rule could be avoided, I propose that we abandon a case-by-case approach and enact legislation which will modify, within the limited sphere of consumer installment purchases, the status of holder in due course

for an assignee of an installment contract. The step which I propose is not into an uncharted field, for a number of our sister states have already abolished or modified the holder in due course doctrine as it relates to consumer installment sales and have done so without adversely affecting legitimate commercial transactions.

### Unscrupulous Salesmen

The Office of Consumer Protection also reports numerous instances wherein unscrupulous door-to-door salesmen have bilked the elderly, the poor, and the unsophisticated. As is the case throughout the field of consumer affairs, a handful of sharp operators damage the reputation and good will of the vast majority of honest businessmen, many of whom conduct legitimate enterprises on a door-to-door basis, often providing both savings and convenience to their customers. I do not propose to hamper in any way the operation of legitimate business. I do propose, however, to safeguard those businesses, and consumers as well, by suggesting that more adequate regulation be imposed on door-to-door salesmen. At present, our law permits a municipality to require the licensing of door-to-door salesmen but does not establish any uniform standards to control the issuance of licenses. I am advised that many municipalities have not adopted the necessary ordinances and those that have, show little uniformity in approach. I will submit for your consideration a bill calling for a State licensing act containing minimum standards to be effective throughout the State except in those municipalities requiring licensing and setting standards at least as high as those contained in the State law.

In addition, I will ask the Legislature to consider the enactment of a law providing a 48-hour "cooling off" period on retail installment sales and home repair contracts executed at a place other than the seller's place of business. During this 48-hour period the buyer who has had an opportunity to reflect upon his need for or ability to pay for goods or services—such as a housewife who is given the opportunity to weigh with her husband the wisdom of a given expenditure—could cancel the agreement if the seller had not previously substantially performed the contract.



### Dealers in Credit—A Need for Scrutiny

Another aspect of consumer credit financing which warrants your early attention is the problem posed by open-end credit accounts which are largely unregulated by the law. Revolving credit is definitely a service to and a convenience for vast numbers of consumers. However, there is no reason why the cost of that service and convenience should not be subject to regulation. Nor is there any reason why consumers should not be told in clear terms how much they pay for revolving credit.

In 1965, a giant step forward was taken with the enactment of a second mortgage law, but recent investigation has shown that abuses have begun to reappear. All second mortgage lenders must be required to submit to periodic examination by the Department of Banking and Insurance and to file annual financial statements. In addition, steps must be taken to curtail the practice of some persons who hold themselves out as lenders but are in reality brokers for finance companies located in other states with less stringent regulations over lending practices. Legislation to strengthen the second mortgage law is now being drafted and will be offered for your consideration in the near future.

I am also deeply concerned by the growing practice in some quarters of the sending of unsolicited credit cards. Our citizens should not be put to the trouble of returning something they never sought or being tempted to use an easy way of buying things which they do not otherwise desire. Furthermore, the gratuitous mailing of credit cards with pre-printed names, as opposed to a letter of invitation to enter into a contract, troubles the recipient with the risk of an involuntary contractual relationship and expensive litigation. I suggest that the Legislature examine this practice with a view toward remedying the problems it presents.

The impact of shoddy lending practices and sharp dealings is further intensified when one considers that the end result is often the garnishment of an individual's wages, which in turn sometimes leads to the loss of his employment. The courts certainly must be left open to creditors to collect honest debts, and the garnishment of wages is sometimes the only available avenue. I propose, however, that our society refrain from "throwing water

on a drowning man" by discouraging the summary firing of persons unfortunate enough to suffer garnishments. During the past few years, bills have been pending in the Legislature which would prohibit discrimination by employers against employees in this situation. I commend those measures to your attention.

Last year I was privileged to sign into law a measure substantially increasing the protection afforded persons borrowing from small loan companies. It occurs to me that in an economy where installment purchasing is becoming more and more prevalent, a retail buyer who finances the purchase of goods and services should enjoy the same protection as a borrower. Our present retail installment sales and home repair financing laws are in need of revision to extend this equal measure of protection. For instance, finance charges under those laws are not stated in terms clearly understandable to the average consumer. I propose that a thorough evaluation be made of installment sales law with a view toward passing a measure that will be fair to consumers and businessmen alike.

### Disclosure—An Informed Bargain

The security of the modern consumer is truly a function of the degree to which he is informed. Experience demonstrates that even a knowledgeable customer is often provided unintelligible, misleading and even false information. I propose we adopt measures to formalize and protect the consumer's right to know.

There is an ever-increasing number of housing developments in this State which are being advertised as "retirement communities." In most instances a substantial financial investment is required of persons seeking this type of housing. Many of these individuals can ill afford to risk life-time savings since they do not have the earning capacity to recoup a major financial loss. One such enterprise recently declared bankruptcy and left many retired couples not only penniless but homeless. I propose the enactment of legislation requiring full disclosure of the financial resources of developers of this type of housing. In this way a person seeking to invest will have before him adequate factual information on which to base a decision. This legislation will also

afford some type of protection to those legitimate developers and businessmen who conduct their business in an ethical manner and suffer from the unscrupulous practices of a few.

Another problem which requires legislative action is the solicitation of business from our citizens by unauthorized, out-of-state insurance firms. The Department of Banking and Insurance does not now have jurisdiction over unauthorized insurers who solicit customers in New Jersey through the mail and by advertisements. Recently certain beneficiaries have been unable to collect the proceeds of insurance policies written by some of these out-of-state insurers when the prior state of health of the insured has been raised as a defense, even though the original advertisement of the insurance plan indicated that "no physical examination is required." I believe that out-of-state insurers should be required to obtain certificates of authority to transact business in New Jersey. If they are qualified, they will face no difficulties from this requirement.

Three additional problem areas have become apparent and I invite your attention to these proposals:

—A law requiring funeral directors to furnish itemized lists of services, and charges therefor, included in the price of a funeral.

—A law requiring the proper labeling of re-conditioned and re-built household appliances.

—A law to require public representation on all professional boards so that the voice of the people may be heard in connection with the regulation of professions and businesses which deeply affect the daily lives of the citizens of this State.

### Vigilant Government

New legislative authority is also necessary to permit those agencies which serve the consumer a full measure of opportunity to accomplish their assigned purposes.

A comprehensive revision of our weights and measures law received public legislative hearings last year. This measure is needed to modernize our standards and procedures—for the pro-

tection of both consumers and legitimate business enterprises. It deserves favorable action by this Legislature.

Enactment of the federal Meat Inspection Act of 1967 will help to strengthen both the federal and state meat inspection programs in our State. The uniform standards and federal matching funds provided under this act will enable us to upgrade our State inspection program. New Jersey has regulated and licensed slaughterhouses since 1910. Over the years these State requirements have been strengthened, and in 1965 the State Health Department adopted rules and regulations governing the construction, operation, and sanitation of meat and poultry processing plants and the labeling of meat and poultry products. Although New Jersey has been ahead of many states in its inspection requirements, there can be no room for complacency or for compromise with the public's health and safety. I shall shortly place before you my specific proposals in this sphere. The broad support received from consumers, industry, and government for the new federal act provides encouraging evidence that we may also expect full support for our increased State efforts.

The attention which has been accorded meat inspection provides a further reminder of the continuing need to strengthen also other health inspection and enforcement programs on the municipal, regional, and county levels. I urge that the Legislature consider carefully additional steps toward this goal.

In the past year there has been considerable interest in the safety aspects of high pressure pipelines which transmit natural gas from distant well fields to the densely populated urban areas of the country. New Jersey, through the Board of Public Utility Commissioners, has been in the forefront of progressive states adopting safety standards for the construction, maintenance, and operation of these pipelines. These standards, together with the Public Utility Commission's jurisdictional responsibilities over gas distribution companies, provide the people of New Jersey with the safe regulation of gas from the moment it enters the State through high pressure pipelines until it reaches the final consumer.

The Public Utility Commission has recently undertaken a review of its present regulations concerning these pipelines for the



purpose of expanding and improving them if necessary. The study entails consideration of improvements in the manufacture and operation of facilities for the transmission of gas, of research and development, of customer requirements, of commercial and residential growth within the State, and of all other factors which are related to the transmission of gas and have a direct effect upon its safety. Should this study reveal the need for further legislative action in this field, you may be assured of my prompt commendation of proposals to you.

New Jerseyans received a wonderful New Year's benefit when the New Jersey Bell Telephone Company announced only a few days ago its third consecutive rate reduction for 1967. This reduction is a tribute to the cooperation of the public utilities of New Jersey and to the State's Public Utility Commission, which was instrumental in bringing about the adjustment. As a result, New Jersey telephone customers will now be saved \$11.7 million a year.

Under its regulatory powers, the Board of Public Utility Commissioners has brought about a continuing series of rate reductions and refunds to the customers of public utilities in the State. During the past six years, New Jerseyans have received total cumulative benefits from rate reductions, refunds, and other savings in excess of \$100 million. The Public Utility Commission is now studying the development of a method for assessing public utilities in order to pay a portion of the State's cost of regulating the industry. Under consideration is a plan which would assess each utility a sum based upon operating revenues derived from business conducted in New Jersey. I hope shortly to receive the recommendations of the Board and to submit an appropriate proposal to the Legislature.

Recent bankruptcy proceedings against certain firms have emphasized the need for expansion and clarification of the jurisdiction of the Board of Public Utility Commissioners over holding companies which control operating public utilities. I hope soon to submit legislation which will grant to the Board specific authority over the terms and conditions of borrowing between the holding company and the utility.

Finally, a law to authorize the appointment of an insurance rate defender in all cases in which general rate increases are sought warrants your early attention. The cost of the defender should be borne by the industry requesting the rate increase, as is now the case under the public utilities law. The possible contributions of a public rate defender have been demonstrated conclusively in connection with applications for increased Blue Shield rates and in the currently pending request for automobile insurance rate increases.

## PROMOTING PUBLIC HEALTH

There is no more pressing concern of State Government than the good health of the people. We have registered important gains in this crucial field with the enactment of such programs as the State Health Aid Act for local health agencies and far-ranging air and water pollution control legislation. It is a matter of public record that New Jersey leads the Nation in the adoption of responsible standards and the implementation of effective controls designed to promote environmental health. Our continuing efforts were encouraged this past week by the announcement of the grant of a quarter of a million dollars by the United States Public Health Service with which to expand our existing system of air monitoring field stations.

### Pollution Control—A Pledge to the Future

In 1967 the Legislature responded to the needs of our time and adopted a program acknowledged as the firmest legal foundation in the country for unified action against pollution. Upon this foundation during this past year, enforcement of the anti-pollution law has been swift and certain and consistent. Those who would pollute our environment already know that New Jersey will not tolerate this threat to our future well-being.

We have moved far and quickly to alleviate the grave danger of pollution. For most cases, legislative authority is enacted and administrative rules are in process. Only responsible co-operation, scrupulous enforcement, a firm and continued public commitment, and nature's own time are required to reverse a century of casual corruption of our air and water.

Yet we have not manifested a provincial concern, for pollution is no local menace confined to neat political compartments. With regard to water pollution, the Legislature acted in 1966 to promote a regional approach to sewage treatment. Already the State Department of Health has denied approval to a local facility found to be inconsistent with the regional concept. The development of central facilities designed to serve each of the identifiable drainage basins in the State is the ultimate goal and the only sure solution. Preliminary concentration has been given to the identification of these basins, the classification of our streams and waters to determine the level of protection each requires, and the issuance of specific orders to direct industry and local government in the provision and maintenance of adequate treatment facilities. We shall continue to fund local and regional studies and thus to develop habits of co-operation among the several levels of government concerned.

The restoration of our atmosphere, too, demands regional action and to that end we have engaged the cooperation of our neighboring states in the creation of the Mid-Atlantic States Air Pollution Control Compact. We must secure the strong support of these states and of the federal government for this Compact in our common defense. Recrimination has too long been the only instrument of interstate action. Only a powerful commission that responds faithfully to our common needs can secure meaningful and lasting results.

Another source of danger to the public health will also require our close attention in the year ahead. We must act now to protect an equally essential resource—land—and to control an equally destructive pollutant—solid waste. Solid waste disposal activities must be licensed and regulated if the land we prize is not to become a monstrous dump and an enemy to our health.

#### **Health Services—Medicaid**

In recognition of the dramatically increasing cost and utilization of hospital and medical services, and the severe financial pressures these services impose, the Congress formulated Title XIX of the Social Security Act, known as "Medicaid." The desperate need

for a realistic and just distribution of the cost of maintaining personal health has been noted here before. Our study of this problem is continuing. Both the Department of Institutions and Agencies and your own legislative commission have recently published reports of their findings and recommendations concerning the implementation of a program of health care for the medically indigent of this State. Both these reports are founded on the conviction that those who lack the means to pay for necessary medical treatment must not thereby be deprived of that treatment.

Title XIX provides a program to make this principle work. Medicaid, in whatever form it is adopted, will require a substantial investment by State government. The return on this investment, however, measured in salvaged man-hours of labor and misery relieved, will be realized daily by citizens throughout the State. While we acknowledge the federal mandate that Medicaid be initiated in this decade, we must nevertheless proceed with caution in order to avoid the onerous mistakes that have plagued the plans of several of our sister states. We must also take full account of the alternatives permitted by the general requirements of the federal law, including various forms of health insurance, so as to select the plan that best responds to New Jersey's needs and capacities.

As my budget message will indicate, I am calling for the allocation of program development money for fiscal year 1968-1969 in preparation for the implementation of Medicaid by January, 1970. It will fall to this Administration and this Legislature to design the form of this program. I am confident that the determination with which we jointly approach this crucial task will be reinforced by the knowledge that we are concerned with a prize of matchless value—the health of our fellow citizens.

In addition to securing medical treatment for those who cannot afford it, we must act now to insure that the facilities and services available are adequate to cope with the dramatic increase in demand that is certain to accompany the implementation of this health program.

In the brief period since the introduction of Medicare, a substantial program but nevertheless of less far-reaching dimensions



than Medicaid, the State Department of Health has acted to certify the hospitals and nursing homes of this State. Participation in this federal program has proved a considerable inducement to the meeting of minimum standards. In addition to residential treatment and convalescent facilities, the Department has certified over 50 home health agencies. As recommended by the Blue Cross Study Commission and the Legislative Commission to Study Economy and Efficiency in State Government, the Department of Health, with its expertise in and familiarity with the medical arts, must be empowered to continue this work and indeed to adopt and enforce minimum professional standards for all health facilities. The licensing and inspection of these facilities can be most effectively accomplished as an integral part of the general health planning effort, which falls within the purview of the Department of Health.

Beyond our active participation with hospitals and with doctors in preparing for tomorrow, we are also obliged to insure the capability of medical support and health services to meet increasing demands responsibly and safely. The federal "Partnership for Health Act" encourages just such planning for the future. Programs of this kind will enable us to exercise greater supervision and help ensure that clinical and bio-analytical laboratories, as well as the providers of other health and medical services, will be prepared for the task before them.

The preparation of professional personnel is a matter of continuing and growing urgency. In 1967 the Legislature demonstrated its appreciation of the nursing shortage and responded with the adoption of the Nursing Scholarship Act. I am pleased to report that this program, in combination with the growing capacity of the community college system to provide an entirely new source of nurses, will do much to alleviate that critical situation. In June, for example, more than 50 nurses who might otherwise never have been trained will be graduated from the community college system to fill vacancies across the State.

Of equal impact upon the shortage of trained nurses is the unfortunate brevity of the typical nursing career. With the enlightened co-operation of the New Jersey Hospital Association,

we are encouraging inactive nurses to return to their profession. There are at present more than 11,000 inactive professional nurses in this State. The talent and training of even a small number of these women, if properly utilized, will do much to alleviate the pressure of unfilled positions during the developmental stages of new nurse training facilities and programs.

### **Mental Health—To Realize a Potential**

In recent years, there has been a marked change in public attitudes concerning the mentally ill and mentally retarded in our society. No longer are these unfortunate individuals and their families forced into the invisible back room of life. Increased public concern for the mentally ill, as well as for the underprivileged and the aged, requires constant efforts by the State to alleviate the conditions in our society which create human misery. We have the responsibility, indeed, the moral obligation, to devise improved ways to assist those who are so handicapped that they require care, protection, treatment, or training.

Last year, more than 30,000 New Jerseyans were cared for in State facilities for the mentally ill and the mentally retarded. To meet their needs, we have maintained a program aimed at the development and provision of efficient medical services in our institutions. Expanded treatment capacity has been reinforced by continued expansion of the State's role in the development of county health services. State funds have been made available to aid in the construction of Community Mental Health Centers, and a Community Mental Health Board has been established within the Department of Institutions and Agencies with the responsibility to recommend policies and procedures designed to insure the orderly development of comprehensive mental health services. New avenues of collaboration between the Department of Institutions and Agencies and Rutgers, The State University have been opened which will result in new techniques of care for the mentally ill. A new evaluation and research unit was opened at the Johnstone Training Center for the Retarded. In addition to undertaking research on mental retardation, this unit provides a diagnostic center to which troubled parents with retarded children can turn for guidance and counsel.

We have made great strides in recent years toward insuring that the mentally ill and the mentally retarded will no longer be forgotten citizens. But the need to provide adequate physical facilities and modern, up-to-date treatment programs continues, and our success in meeting this need will require the continued concern of all New Jersey citizens. Not long ago, an interdepartmental committee completed a report analyzing State care provided for the retarded. I am now studying that report and I expect to propose legislation based upon its recommendations in the near future. I also hope shortly to recommend a measure to eliminate the gross inequities now found in the system under which parents of retarded children are charged for care in State institutions. There has long been a need for revision of this system, and I shall direct appropriate changes to your attention.

I am heartened by the response of your legislative leaders to informal discussions of these matters, and I am confident that with mutual co-operation we can work together for the improvement of institutions and institutional care.

## TRANSPORTATION

We mark this year the first anniversary of the creation of the Department of Transportation—a year of commendable progress. The Department has registered meaningful achievements on a number of important fronts and has successfully expedited some immediate problems.

### Investment for Mobility

In the area of highway construction, despite a federal freeze on Federal Aid Highway Funds through last June, the Department placed under contract a record \$125 million of highway construction projects. During the past two fiscal periods, a record total of more than \$356 million has been obligated for all phases of construction activity, including engineering and right-of-way acquisition. As a result, New Jersey's Interstate Highway Program is progressing on a schedule that will permit—assuming the availability of adequate federal financing—the State to complete its portion of the Interstate System on or before the 1972 time-

table established when the program was commissioned in 1956. One example of current progress is Interstate 80, the remainder of which will be under construction during this calendar year. Interstate 280, west of the Stickle Bridge, will be entirely under construction before the end of the coming summer. Similar progress is being recorded on the other routes.

In its approach to the full range of transportation problems, the new Department has manifested the needed flexibility for which we had hoped. As a result, the State can expect maximum benefit from the resources it is allocating to transportation. The Department's proposal to transfer funds originally allocated to the disputed section of Interstate 278, to the construction of the important Central Jersey Expressway, apparently will meet with success. This achievement is a tribute to the unstinting efforts of Congressman Howard who, as a member of the important House Public Works Committee, was able to stimulate essential Congressional action. It is also a tribute to the administration of President Johnson, without whose co-operation this gratifying success would not have been possible. The President's prompt approval of Congressman Howard's bill has enabled the Department to make the necessary application to the United States Bureau of Public Roads. We are now seeking prompt action by that agency so that this project can move forward without further delay. As a result, the Department of Transportation can now respect the wishes and desires of the overwhelming number of people and officials of Union County in their categorical opposition to the construction of Interstate 278, and provide at the same time a responsible method of financing the Central Jersey Expressway, a long and eagerly awaited connection between Trenton and the Shore.

In the field of public transportation, the Department took positive action to preserve and improve essential rail service. An agreement with the Erie Lackawanna Railroad provides that the railroad will continue to operate its trains for at least five years while the State carries out a capital improvement program. A construction order was placed by the Department early in 1967 for 35 modern commuter cars which will be in service on the Pennsylvania Railroad during 1968. The Department also



demonstrated its concern for the essential interests of the State by exerting leadership to keep the Central Railroad of New Jersey in operation, despite its unfortunate bankruptcy. The Department achieved this result through its subsidy program and the additional \$2 million appropriation provided for this purpose. In recognition of the necessity to protect the public's investment in this carrier, the \$2 million was made available to the railroad by way of a secured 4 per cent loan rather than as an outright grant.

The problems we face in the area of transportation, however, cannot be resolved merely by flexibility of approach or even by maximizing the return on the public's investment in this area. Recent reports from the Department indicate that the non-interstate highway projects which the people of this State are demanding will undoubtedly require considerable sums beyond the funds that appear to be available. While in past years it could be argued that the Department did not require additional funds because it still had available substantial unspent balances on its non-interstate accounts, this condition no longer obtains. This year projects will be delayed because of a *shortage* of funds.

Many of us have seen this day coming. Certainly, my predecessor, Governor Meyner, gave ample warning when, in 1959, he sought approval of a program to utilize the resources of the New Jersey Turnpike Authority to help fund the cost of transportation programs generally. In 1963, I made a similar recommendation in proposing a bond issue for highway purposes alone of \$475 million. As you know, both of these proposals failed.

In 1964, the Legislature recognized some of the capital needs in the fields of higher education and institutions through the passage of several modest bond issues. In weighing the highway problem, however, the special joint highway committee of the Legislature recommended against additional capital funds for highway construction and suggested instead that consideration be given to more toll roads. This latter proposal has been adopted. The Turnpike Authority is now carrying out an expansion of that important roadway at a cost of approximately \$400 million.

The New Jersey Highway Authority is prepared to undertake its own expanded program, involving the construction of the New Jersey Thruway and other improvements, at a cost that will exceed \$250 million.

The most recent fiscal change in this State involved, as you know, bi-partisan enactment of a selective sales tax and bi-partisan allocation of the anticipated receipts. Both parties agreed that the bulk of the sales tax receipts should be channeled into local assistance. As a result, a special one-year additional sum of \$34 million was provided as extraordinary State Road Aid in fiscal 1967. The sales tax also made possible a continuing State Road Aid Program of \$15 million annually, as well as increases in the level of support for our rail program. This revenue source, however, by common agreement, did not provide any substantial new funds for State highway construction.

Regardless of this past record, we have clearly reached the point at which we must come to grips with capital problems in the field of transportation. I have therefore requested the Department of Transportation to complete work, as quickly as possible, on the Master Plan for Transportation which it is obligated to prepare under the statute creating the Department. This plan will delineate the State's range of needs in the areas of highways and public transportation. It should provide a basis for meaningful discussion of the problem so that basic policy decisions can be made in a responsible and realistic manner. As soon as this information is available, I shall submit it to you for your consideration.

#### Other Transportation Measures

Several other measures proposed by the Department of Transportation will warrant your prompt consideration. Legislation to permit the Department to reserve proposed rights-of-way for an interim period of time, with appropriate safeguards on that power to ensure land use within a reasonable time period, will help avoid the unnecessary purchase of developed parcels of property and reduce right-of-way costs. The Department is seeking an increase in the maximum relocation costs payable in order to help ease the hardship of families and businesses that must be relocated.

The Department is also revising the highway beautification proposal that it submitted last year. Such a measure merits your attention in order to ensure both New Jersey's compliance with federal statutes and the improvement of the scenic appearance of our highways.

The legislation creating the Tri-State Transportation Commission is scheduled to expire early in 1969. Since the concurrence of all three states will be required to continue the agency, discussions are now under way with regard to an extension of the expiration date. Legislation will be submitted for your consideration so that the Tri-State Transportation Commission can proceed with no unnecessary disruption in its important functions.

### Highway Safety

As you know, the Congress of the United States acted last year to assist the states in carrying out their highway safety programs. The National Highway Safety Act provides for a co-ordinated National Highway Safety Program through financial assistance to the states for work in thirteen areas. Under the direction of my representative to the National Highway Safety Bureau, planning projects are under way in the areas of driver education, emergency medical services, traffic control devices, and police traffic services.

New Jersey is substantially in compliance with the National Highway Safety Standards promulgated by the Secretary of Transportation. However, legislation in several important areas is required to enable the State to move in the direction of 100 per cent compliance with the National Standards and thus to avoid invocation of a penalty clause of the National Highway Safety Act which directs the Secretary of Transportation to withhold apportionment of 10 per cent of Federal Aid Highway funds to any state that fails to implement a proper highway safety program.

The Standard on Driver Education requires that there be a driver education and training program available to all youths of licensing age which is taught by instructors certified by the State. A driver education course to include 30 hours of classroom instruction and 6 hours of behind-the-wheel training as well as an

expanded program of teacher training will meet the requirement. The Legislature should direct renewed attention to an appropriate driver education program in the interest of the safety of all our citizens.

In the area of emergency medical services, it is essential that the victims of accidents receive prompt emergency medical care under all emergency conditions. The high caliber of New Jersey's ambulance and rescue squads is recognized throughout the nation. A model ambulance law will improve the training and equipment of emergency drivers, attendants, and dispatchers, as required by the National Highway Safety Standards, and I commend to your attention proposals to this end from the Department of Health.

### Jetport

The construction of a fourth jetport for the metropolitan area continues to be among our major concerns. We daily receive fresh evidence of the toll exacted by delay. This toll—in inconvenience, inefficiency, and physical danger—demands that we approach the problem with critical objectivity and renewed commitment. At the same time it is clear that this public necessity must not indiscriminately invade valuable property and heavily settled communities. The densely built residential regions of this State are the fruition of too much careful planning and investment to be compromised by careless progress.

I am gratified to note that with the assistance of New Jersey's Congressional delegation I was able to arrange a re-opening of discussions on the jetport question between prominent business and civic leaders in New Jersey, on the one hand, and the United States Department of Transportation, the United States Air Force, and other concerned federal agencies on the other. Subsequently, I was privileged to appoint a blue ribbon citizens' committee composed of outstanding leaders of industry and finance, which has unselfishly volunteered its talents and energies to evaluate the economic impact of a jetport on the future of the State. This distinguished committee, chaired by J. Seward Johnson and supported by substantial resources at the command of



New Jersey commerce, has responded eagerly to the challenge before it. It is with great confidence and pride that I await this committee's report—confidence in the ability of this State to recognize and realize its unlimited potential as a great metropolitan center, and pride in the sincerity and good will of our people to work for a New Jersey jetport despite frustrating delays and heretofore insurmountable technical obstacles.

But State government must also continue to persevere in its efforts to resolve this question. I am therefore recommending that you authorize the establishment of a New Jersey Jetport Authority within the Department of Transportation. This Authority would stand ready to evaluate and hopefully to implement recommendations from the Johnson committee and other groups devoted to a solution of the jetport question. The Authority would be a focal point for all the State's efforts to resolve this long-standing problem. To this end the Authority would exercise such responsibilities as this and succeeding Legislatures determine are necessary for the satisfactory effectuation of a fourth jetport in the metropolitan area. Legislation to implement this proposal is now being prepared by the Department of Transportation, and I shall submit it for your consideration at an early date.

### THE ECONOMY—INCREASING OUR STRENGTH

In 1967, as in the two previous years, more people of this State engaged in productive commerce than ever before in our history. With the increase in employment, personal spending and personal savings also achieved new high levels. The Economic Policy Council, established in 1967 to provide sound statistical reviews and projections of the economic status of our State, will report next month on the problems and opportunities presented by this expansion. Its commentary will include an analysis of the conditions which fostered our healthy economy and the means available to us to protect and stimulate it.

Among the factors contributing to our current success has been the effective implementation of programs to maintain attractive conditions of employment. The goals of financial security, personal safety, and opportunity for advancement are now closer to

realization than ever before. The injection of over \$19 million into the wage rolls, a direct result of the extended and increased minimum wage, contributed substantially to the health of our economy and to the well-being of our working men and women. Among the measures to which I invite the attention of this Legislature in the coming year, for the further stimulation of this environment, are improvements in the Worker Safety Act and legislation requiring a meal period in each full working day for all workers.

The sturdy response of industry to recent developments—visible in unchecked new construction and expansion of existing facilities in 1967—reflects its own perception of the climate of growth and prosperity that it finds in this State. During the eight months prior to September 1, 154 companies executed contracts to build or expand plants in the State. This investment in the future of New Jersey represents an immediate capital outlay in excess of \$250 million. Moreover, these commitments for the future do not include either the monumental determination of a single concern to undertake a \$300 million expansion program or various plans for the construction of nuclear powered generating facilities.

These business decisions both credit our convenient geography and concentration of utilities and underscore the realization of the business community that New Jersey provides fertile ground for operation and investment, protected by concerned government and serviced by responsible working men. In such a climate business and labor, with the assistance of government, can work together in productive harmony.

This community of interest among business, labor, and government has been reflected in significant attempts in the past two years to stimulate and facilitate the growth of business and industry in New Jersey. For example, recognition of the needs of commerce resulted in the reform two years ago of the Business Personal Tax which, until then, had imposed an onerous burden upon industry.

During this past year legislation was adopted to liberalize the conditions under which business corporations may merge. Further indications of this Administration's awareness that a favorable

business climate is essential to all may be found in reform of our railroad taxation policies, tax exemptions for air and water pollution control devices, the sponsorship of trade missions to various parts of the world, and the availability of State money under the Economic Development Assistance Act of 1966 for feasibility surveys for businesses interested in locating in New Jersey, to suggest but a few. This commitment to an ever-watchful anticipation of the needs of commerce must continue if our record of healthful expansion is to be maintained.

### **The Hackensack Meadowlands**

The orderly development of the Hackensack Meadowlands will be perhaps the single greatest stimulus to the continued growth of New Jersey's economy. For several years I have emphasized the enormous potential of the Hackensack Meadowlands—with its possible use for industrial expansion, for new housing, and for recreation and conservation purposes—and the need to assure the proper and expeditious reclamation and development of this great natural resource.

Substantial steps to accomplish this major public objective have been taken. The Department of Community Affairs has developed the outlines of a regional development plan for this area and at the same time has worked closely with the United States Corps of Army Engineers in the preparation of reclamation program. These activities have been supplemented by the studies and recommendations of various private and governmental groups as to the nature and powers of the agency which will supervise this project, with particular emphasis on the multi-jurisdictional problems that will result from such a regional undertaking.

I believe that we have now reached a point where legislative action is imperative. Therefore, I recommend that the Legislature create and authorize a state agency to formulate a program for the development and reclamation of the Hackensack Meadowlands on a regional basis. Such an agency should be given broad powers both to develop and to enforce such a regional plan and to work closely with the involved local governing bodies in the implementation of the regional program.

Such legislation should also include provision for the resolution of title disputes in this area. In an historic decision, the Supreme Court of this State recently affirmed the State's riparian claims in certain of the Meadowlands and laid down general guidelines for the determination of the extent of the State's claim. It is therefore vital that this Legislature establish either a title court or an administrative agency to hear and determine title disputes so that this deterrent to the development of the Meadowlands is promptly removed. I shall shortly present to this Legislature a proposal which will encompass the creation of both a State agency for the planning and reclamation of the Meadowlands and a body to review and resolve the conflicting title claims in this area.

There is no doubt in my mind that the Meadowlands offer a unique challenge—to develop not only the great natural resources that it provides but also workable rules for large-scale regional planning which can serve as a model for similar activities in the future in other areas of this State.

### **Port Facility Expansion**

The continued vitality of New Jersey's economy will depend, in large measure, upon our renewed determination to enlarge the port facilities of this State. Enactment last year of legislation to consolidate the South Jersey Port Commission and the Delaware River Port Authority constituted a significant step forward in the expansion and modernization of port facilities along the Delaware River. Unfortunately, however, the necessary concurrence of the Pennsylvania Legislature has not yet been granted. While I am still hopeful of affirmative action by the Pennsylvania Legislature, I reaffirm my determination that port development, along the Delaware River shall in any event be accomplished, for it is indispensable to the competitive position of South Jersey and to the further economic development of that region.

### **Nuclear Energy—A Tool for Expansion**

The bench presses, lathes, and stamps of industry would suddenly halt without sufficient power to drive them. Much attention has been devoted in recent years to the development



of nuclear-powered electric generating facilities, and New Jersey in 1968 will see in commercial operation the Oyster Creek Generating Station and will thus become the site of one of the largest such installations in the world. It is estimated that by 1980, 25 percent of our nation's total electric power generation will come from nuclear fuel. Consequently, it is important for New Jersey to continue its leadership in this field of technology.

It is equally important, however, that our State government encourage other peaceful uses of atomic energy, and at the same time maintain proper levels of supervision over the use of radioactive materials so that the safety of the public can be assured. As these objectives cut across the jurisdictions of several State departments, much can be said for the creation of a co-ordinating agency which can also serve as the primary liaison with those segments of private industry interested in this general subject.

Therefore, I have taken the necessary steps to appoint an Atomic Energy Council to encourage and assist the growth of the use of atomic energy for peaceful purposes and the development of adequate engineering safeguards and operating practices which will assure that this usage is without danger to the citizens and environment of New Jersey. This Council will consist of the Commissioner of Conservation and Economic Development, the Commissioner of Health, the Attorney General, and the President of the Public Utility Commission. The collective expertise of these four public servants should enable New Jersey, a scientific and research center of this country, to be certain that the potential of atomic energy for all sectors of our growing economy is fulfilled.

#### **Corporation Law Revision**

To be presented to you later in this year is a revision of Title 14, the corporation law of New Jersey. The product of a decade of exceptional effort by the Corporation Law Revision Commission, this document will be examined by interested and responsible citizens throughout our State. What comes before you for your consideration will truly be a proposal which acknowledges the reliance of this State upon commerce and faith in our continued mutual success. I commend this significant legislation to you.

#### **Forecast for the Future**

The future condition of the State, both economic and social, depends in large measure upon our efforts to maintain a sound and balanced commercial community. Only such an environment can provide the jobs and support the activity which must be continued to meet the needs of our citizens and promote the realization of their full potential. The economic forecast for the coming year indicates employment in this State will surpass 2¾ million persons and personal income will exceed \$27 billion. This advance is expected to be based increasingly on private demand and expenditure.

Thus the year 1968 in New Jersey presents an encouraging picture of improving employment opportunities and rising living standards for our families. It is both our opportunity and our obligation to work toward the realization of this encouraging forecast.

#### **PUBLIC ASSISTANCE—NEEDED AMENDMENTS**

An increasingly large portion of many of the annual budgets for local government, and consequently a great share of our citizens' local property tax burden, reflects the staggering cost of public assistance. The willingness of our citizens to help those among them who are needy, infirm and disadvantaged is the strength of a democratic society. But we must continually examine our public assistance programs to make certain that they do not breed cycles of dependency or discourage personal incentives.

State government has developed programs aimed at bringing persons requiring income maintenance support into the mainstream of our society. Some notable results already have been achieved. In co-operation with county and municipal authorities, federal funding was secured for extension of work and training programs in the cities of Newark and Trenton, the Paterson-Passaic area, Camden County, Monmouth County, and Union County. These projects, authorized as part of the war on poverty, are funded at more than \$10 million. As of March 1, 1967, almost 4,000 persons had received training and many of those are known to have re-entered the labor market.

We must continue our efforts toward strengthening our public assistance laws, to the dual ends that our humane purposes are served and public confidence in the system is enhanced. I have previously mentioned the need for enlarging the system of adequate day-care centers for the children of poor mothers who are the heads of households. This Legislature must address itself to this problem, for the recently adopted welfare amendments to the Social Security Act require this State to include day-care services as part of its comprehensive state-wide public assistance plan. In doing so, much more will be accomplished than mere compliance with the mandate of federal law. Answering this need will permit many women who are heads of households to receive job training, accept gainful employment, and become productive members of society.

#### CONSERVING OUR RECREATIONAL ASSETS

New Jersey is fortunate indeed to have a rich endowment of natural resources. Our fresh water lakes, ocean beaches, forests, and mountain trails are unexcelled products of nature's abundance. This Administration and innumerable private groups have spared no effort to conserve those natural resources and to make them available to each and every citizen. Consider, as a prime example, the rapid and careful planning and development of Sandy Hook State Park, now a natural recreation area whose beneficiaries will number in the hundreds of thousands.

There is no reason—in fact or law—why the rich assets of other equally priceless open spaces in this beautiful State cannot be so conserved and enjoyed. Every citizen of this State can take great pride in the achievements in this area by the Department of Conservation and Economic Development. Those successes result from the Department's judicious blend of natural resource conservation and public recreation development, through the implementation of the "multi-purpose recreation center" concept. Nowhere in this State is there greater potential for full realization of this concept than in the Skylands of New Jersey, a 100,000-acre inter-region recreation and conservation area in north-central New Jersey. This expansive preserve, extending along the New Jersey-New York boundary of Bergen, Passaic and Sussex Counties,

encompasses some of New Jersey's prime public forests and woodlands. The natural playgrounds and watersheds of the Skylands—and other areas like it—are amenable to conservation and recreational pursuits which, under proper land management procedures and other safeguards, will not be deleterious to the important use of this land for water supply.

Innovative approaches such as these, and the anticipated development of Tocks Island, will significantly increase the recreational opportunities available to all of our citizens. Your support of these and similar programs is absolutely essential to the judicious development of our precious natural resources.

#### EQUALITY UNDER LAW— A MEANINGFUL SHIFT IN EMPHASIS

Although I hardly need catalogue today the legislative milestones along our path to the elimination of discrimination, a quick review is proper cause for reflection:

- ... amendments to the Law against Discrimination to bar discrimination in the sale or rental of private housing;
- ... enactment of an optional Rent Control Law granting municipalities the authority to protect their citizens from unscrupulous landlords;
- ... transfer to the Attorney General of responsibility for enforcing non-discrimination on public works projects;
- ... re-organization of the Division of Aging as a part of the new Department of Community Affairs;
- ... extension of the employment provisions of the Law against Discrimination to cover virtually all employers;
- ... realistic appropriations giving to the Division on Civil Rights the financial resources to accomplish its legal duties.



Our present laws concerning discrimination on account of race, color, religion, national origin, or age manifest joint commitments by numerous Legislatures, myself and the citizens of this State to the concept of equal opportunity for all. I have supported legislation and appropriations throughout the first six years of my Administration to help make this concept a living one. The next two years of my Administration will be no different in this respect.

In keeping with this pledge of a continuing commitment to fulfill equal opportunity, I will transmit to you for your consideration legislation authorizing the Commissioner of Community Affairs and the Chancellor of Higher Education to make and file complaints of unlawful discriminatory practices. Similar authority has already been granted to the Commissioner of Labor and Industry and to the Commissioner of Education, in order that they might draw upon information specially available to them by virtue of their offices without waiting for a complaint from a particular aggrieved person. Past Legislatures recognized that only by such legislation could the State discharge its obligation to take affirmative steps to realize equal opportunity. I need hardly tell you of the necessity for assuring nondiscrimination in the many programs administered by the Department of Community Affairs. In a similar vein, our concern for non-discrimination in education should apply as much to graduate and post-graduate education as it does to elementary and secondary education. With your assistance in the very near future, the Commissioner of Community Affairs and the Chancellor of Higher Education will be able to lend a much needed helping hand to the Division on Civil Rights and to the realization of equality under law.

Notwithstanding model legislation and vigorous administrative enforcement, I must point out today, as I did in a similar context two years ago, that "... government's responsibility does not end with the enactment of laws." Indeed, the securing of legislation is but the take-off point for government, for legislation can only have impact on the individual citizen through the medium of substantial programs.

Thus, today I recommend an accelerated shift in emphasis from legislative to programmatic attacks on the problems which beset

our various racial, ethnic and religious minorities. Quality education, employment opportunity, urban renewal, housing inspection—all of these functional problem areas impinge, in one way or another, on the prospects of minority group citizens for realization of their full potential. It is no small wonder, then, that each of these areas is also the subject of numerous recent legislative measures upon which meaningful programs can be based. I propose today to direct the attention of my Administration, in a more intensified manner than ever before, to the development and execution of programs which will make our model legislation live and breathe. To this end, I will of course be receptive to any further suggestions for legislation that may be forthcoming from the Legislature, in order that every citizen of this State may have the fullest opportunity to share in our well-being.

## PEOPLE AND GOVERNMENT

State government in New Jersey continues to operate with a maximum of efficiency at minimum cost. According to the most recent statistics, New Jersey still enjoys the lowest per capita cost of government and the lowest per capita number of State employees of the 50 States. We have been able to maintain this position of leadership in low-cost provision of services while at the same time striving to provide competitive salaries for the hard-working corps of civil servants to whom we owe much of the credit for our economy of operation.

In the past two years, the streamlining of the operation of government has received great attention. With the creation of the Departments of Transportation and Community Affairs, previously widely disbursed activities have been consolidated into single departments, under one roof and one administrative head and with attendant increases in efficiency. In our continuing search for new and better methods of performing the tasks of government, we have been assisted greatly by my own committee and now by the Legislative Commission to Study Efficiency and Economy in State Government, which has undertaken studies of the various departments of State government. Implementation of many recommendations from those studies has already resulted

in savings in taxpayers' dollars. I believe it essential that the good work of the Commission continue, and I was pleased to sign into law last year a measure extending its life. Recently, the Commission completed an extensive study of our water resources. Its report contains suggestions—now being studied by this Administration—for the future management of that invaluable asset.

The actions taken and results achieved do not suggest that nothing further remains to be done. Proposals to realize still further economies can be assured of my full attention, for it has always been the position of this Administration that government should spend every dollar necessary to meet the legitimate needs of the people it serves, but not a single cent more.

### **To Maintain Legislative Integrity**

It is my hope that this body, during the present session of the Legislature, will turn its attention to two much-needed measures designed to increase public confidence in the process of government—improvements in the laws concerning conflicts of interest and the disclosure of lobbying activity.

Last year I signed into law a measure requiring that persons serving in the executive or legislative branch of government reveal their proposed business transactions with the State and their proposed representation of individuals before a State agency, thereby subjecting those actions to public scrutiny and evaluation. I recognized then, as I recognize now, that a "disclosure law" is no panacea for the skepticism with which some members of the public view the activities of government. But such a law is a first step toward the establishment of a climate in which the people can be assured that those elected or selected to do the public's business do so with only one goal in mind—the public interest. I now suggest that this Legislature consider the second step—the establishment of a procedure by which complaints against members of the executive or legislative branch can be reviewed and judged by an independent and unbiased agency.

Additionally, the Legislature should direct its attention to the enactment of needed amendments to the Legislative Activities Disclosure Act. As I have stated on several occasions, an ade-

quate lobbyist control act should strike a balance between the right of persons or groups to present their views by engaging the services of another and the right of the public to know who has engaged such representatives. The lobbyist, without doubt, provides information and assistance which may not be generally available to a busy legislator and in many cases makes a valuable contribution to the democratic process. Since the enactment of the present law, however, it has become apparent that its scope and effectiveness too limited. Not all persons who engage in lobbyist activity are currently required to register nor are the required reports as informative and complete as they should be to disclose all pertinent information. I therefore recommend that legislation be adopted to clarify and broaden the scope of the present law, and to establish meaningful penalties for non-compliance.

### **Public Employee Grievances**

A problem of continuing perplexity to government at all levels is the difficulty of developing a workable procedure whereby the legitimate grievances of public employees can be discussed and resolved and unconstitutional work stoppages avoided. While New Jersey has been more fortunate than some of her sister states in avoiding a multiplicity of interruptions in vital services, there have been a sufficient number of actual or threatened work stoppages to occasion great concern among our citizens. There can be no strike against the public interest. But neither can there be a failure on the part of government to provide machinery for respectful dialogue between employees and administrators aimed at the resolution of legitimate grievances.

Eighteen months ago I approved legislation creating the Public and School Employees' Grievance Procedures Study Commission. The Commission was charged with the task of studying existing machinery for the presentation of grievances by public employees and recommending, if necessary, further procedures for the presentation of their grievances. Today you will receive the final report of the Commission, the product of hundreds of hours of careful deliberation of this challenging question. To you will fall the task, through the legislative process, of striking a meaningful accommodation between the rights of public employees to



organize and to present their grievances through representatives of their own choosing, as guaranteed by the New Jersey Constitution, and the right of the general public to enjoy the efficient operation of government to which every citizen is entitled. However delicate, this task is not impossible, and, from the total perspective of labor-management relations, may not be as difficult as it would first appear. Recent studies indicate that although approximately 50 per cent of the public employees in this State have joined employee organizations, the work stoppage rate for public employees is less than one-tenth the work stoppage rate in the private sector. On the other hand, these dry statistics are no answer to almost universal demands for more realistic and equitable procedures for the voluntary resolution of public employee disputes.

Studies also indicate that the greatest portion of work stoppages by public employees have occurred in one functional service area—education, at every level. We require no extensive studies to prove that our most precious investment in the future, our children, bear the brunt of, and suffer the most from, such work stoppages. Because of the implications of public employee disputes for the education of our children, not to speak of the dependence of the very life and safety of our citizens on the continuation of other essential services, I would hope that you will approach your task in this area with the highest spirit of bi-partisan co-operation. I pledge myself and my party to that spirit today.

### The Judiciary

In the past two years the enlargement of the Superior Court through legislative action has made a significant inroad on the backlog of pending litigation. In addition, uniformity and predictability were brought to courtroom procedure when, after extensive legislative evaluation, the Rules of Evidence promulgated by the Supreme Court were adopted. We must continue our efforts, for the quality of justice administered is the clearest manifestation of the health of a democratic society. I therefore suggest that this 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. Such a measure would accord the Supreme Court a greater degree of flexibility in the handling of the ever-growing number of cases brought to court. Consideration should also be given to a comprehensive review of the judicial pension system so that equal treatment is accorded to the judges of all courts.

### To Improve Government

Another matter deserving of legislative evaluation as we attempt to maintain government at a high level of efficiency is modernization of the Civil Service Law, long recognized as one of the best in the country, but in need of revision as the business of government becomes more and more complex. A number of provisions of our present Civil Service Law are no longer conducive to the development of the soundest possible personnel practices for our government, and recommendations will be forthcoming for a number of changes in the law.

My party is strongly committed to a constitutional amendment reducing the age requirement for voting from 21 years to 18 years. This commitment, however, is no partisan matter, for with enhanced educational opportunities and great national demands being made upon the energy and physical well-being of our youth, it is only just that they be given a full voice in government. I therefore recommend early adoption of a law which will place this question before the people in the next general election.

Reference to the Public and School Employees' Grievance Procedure Study Commission calls to mind the numerous other committees on which members of the general public have served with distinction during the past year. The continued willingness of persons, including those who are most busy in private pursuits, to devote time and energy to the consideration of difficult public problems represents an enormous contribution for which we all owe a debt of gratitude. This devotion to public service is exemplified by the work now being performed by the members of the Select Commission to Study Civil Disorders, who, under the chairmanship of Mr. Robert Lilley, have been diligently seeking the causes of the tragic occurrences of last summer and means

by which such disasters might be avoided in the future. Most recently, a group of eminent New Jersey citizens has agreed to serve as a commission to study the use of the Drumthwacket property purchased last year through the joint action of the State and the Tercentenary Commission headed by Mr. Paul Troast.

It is my hope that the productive partnership between government and public-spirited citizens typified by these commissions, and many others too numerous to mention, will continue to flourish and redound to the benefit of the State of New Jersey.

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The proposals that I place before you in this Message, as I have suggested, will enhance the vigorous new identity with which we have now invested New Jersey—an identity as a forward-looking State to which, in many spheres, our sister states now look with renewed respect. I welcome in addition your own proposals to advance New Jersey further along the road to greatness and to burnish the sense of pride that our citizens have begun to feel.

For the people have vested in this Legislature precious powers and special responsibilities, and although the majority of your members and I are of different political parties, I believe that our common concern—the general welfare—compels us to work together to meet our inescapable obligations. Indeed I am convinced that we can initiate today an historic joint effort by the Executive and Legislative branches to achieve a new level of excellence for this State—an effort which, with God's help, will vindicate the faith reposed in us by the people of New Jersey.

RICHARD J. HUGHES,  
*Governor.*

January 9, 1968.

Attest:

LAWRENCE BILDER,  
*Secretary to the Governor.*