

Third Annual Message
OF
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Governor of New Jersey

TO THE ONE HUNDRED AND EIGHTY-FIRST
LEGISLATURE OF NEW JERSEY

January 8, 1957

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GOVERNOR'S ANNUAL MESSAGE
TO THE LEGISLATURE

January 8, 1957.

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

I appear before you, the members of the 181st Legislature of New Jersey, to inform you of the progress of the State and to recommend policies and measures that will minister to the happiness and prosperity of the more than 5,000,000 people whom we serve.

It is hardly necessary to remind you of the thousands of ways in which State Government affects the lives of our citizens.

It plays a vital role in the education of our children, in the care of the poor, the sick, the retarded, the handicapped and the aged; in the administration of justice; in the preservation of order; in the construction and maintenance of our highways; in safeguarding the rights of labor; in protection of health; and in many of the smallest details of our daily lives.

State Government affects everyone every day, from the person who is assured an honest weight in the food markets, to the person who turns on an electric light, rides a bus, buys an insurance policy, deposits money in a bank, uses a water faucet or operates a motor car.

AN EVER FINER INSTRUMENT

These facts are cited to emphasize not only our grave responsibilities to the people, but to point up our endless opportunities to make State Government an ever finer instrument of public service. In the three years since becoming Governor, I have given unremitting study to the problems of New Jersey and it is out of that rewarding experience I speak to you today.

Moreover, as a former member of the State Senate, I believe I have a grasp of the difficulties and pressures of the legislative task. Therefore, at all times have I sought to lay before you the facts concerning State issues and to co-

operate with you in the hammering out of fair, just and progressive legislation.

AN ELECTION YEAR

In November of this year, there will be an election for Governor and for 70 of the 81 seats in the Legislature. Therefore, the eyes of the people will be fastened upon you, the Legislature, and upon me, the Governor, to scrutinize our behavior. If we permit partisan politics to influence our judgment, if we permit ambitions to sway our actions, we will be judged accordingly. For myself, I promise to work with you in every way consistent with my convictions.

A FEEBLE STEP

In the interest of frankness, I must allude to certain points of difference with the Legislature.

Looking back to my inaugural address on January 19, 1954, I find the following statement: "Of its own volition, the Legislature is taking the highly laudable step of abolishing the old caucus system and of breathing life into the committees."

The step turns out to have been a feeble one. The caucus system has not been abandoned and artificial respiration has not been applied to the committees. To a large extent, majority party policies are cut and dried in secret sessions, open committee hearings are the exception and not the rule and the State is deprived of the wholesome effect of real debate on the floor of both houses.

It seems plain that, if many important measures were openly discussed and the power of public opinion brought into play, they would be passed.

PIGEONHOLING OF APPOINTMENTS

It is my responsibility, enjoined by the Constitution and the statutes, to exercise the appointive power with the advice and consent of the State Senate. In the past three years, in growing intensity, nominations have been stuffed without action into senatorial pigeonholes.

Examples are nominations for judgeships, the Delaware River Port Authority, the Passaic Valley Sewerage Commission and numerous other positions.

No reasons are given for failure to act. Important work of the State is thus held up, to say nothing of the injury to distinguished citizens who have permitted me to offer their names. No wonder that some of New Jersey's ablest men hesitate to enter public service.

NEED FOR REAPPORTIONMENT

It is the responsibility of the Legislature to reapportion the Assembly in accordance with population changes. The Constitution provides this shall be done at the first session following the national census. Yet six sessions have come and gone since the 1950 census and no action has been taken.

The Legislature is required to redistrict the State for congressional seats, but it has not been done for more than a quarter of a century. Meanwhile there have been huge shifts in population, so that many of our people are not fairly represented in the Assembly and in Congress. Proper representation lies at the very roots of the democratic principle.

The 181st Legislature could go down in history as one which courageously attacked and solved these problems. Here is in outline some of the highlights of this message, taken from the far more comprehensive survey of departments.

CONDITION OF THE STATE

It is a pleasure to say that New Jersey's phenomenal growth continues. Each year more than a hundred thousand persons are added to our population, and their productive power swells the State's prosperity. New industries, including many plants for industrial research, are providing new jobs for skilled workers. The building of homes is vastly increased.

Our real wealth, the people themselves, grows apace. A State which was settled in 1664, nearly 300 years ago, and which was admitted into the Union in 1787, not only has a long and rich historical past, but a magnificent present and a limitless future.

PROBLEMS OF PROGRESS

But growth brings with it added tasks for the State Government. In my last annual message, I pointed out that most

of the problems that confront the State are products of our growing population and our expanding economy.

This is why we need more highways, more schools, more parks and beaches, more hospital facilities and so on. If grass were growing in our streets and if smoke were not pouring from the stacks of our factories, we would not have to face what might be called the problems of progress.

With all this accent on growth, however, our State Government has attempted to lead and serve at the lowest possible cost. New Jersey ranks fourth among the 48 in per capita income; yet our State Government collects the lowest per capita tax in all of the 48.

HIGHEST CREDIT RATING

In the past three years we have striven to undertake improvement and extension of services on a pay-as-you-go basis. Not a single dollar of State debt has been authorized during this period. In fact, we have reduced the State debt by nearly 20 million dollars. Last year the State won a rating of Aaa. This means that for the first time in more than 20 years, New Jersey's State Government has earned the highest possible rating from an authority looked upon as standard for the national bond market.

To help achieve this rating, I have vetoed measures that would have cost millions of dollars, not only in immediate expenditure but in annual recurring obligations. Many of these bills were special and local in nature and not of State-wide benefit.

ANOTHER PLAGUE SPOT IS CLEANED UP

A major scandal was unearthed in the Delaware River Joint Toll Bridge Commission following my appointment of new members to this body. They found that it reeked with waste, extravagance and inefficiency, the lurid details of which were fully exposed. The Governor of Pennsylvania joined New Jersey in dismissal of the persons responsible and in disinfecting the whole operation.

Sweeping reforms were put into effect, including economies to save more than half a million dollars annually. Criminal charges were filed in Pennsylvania, where the alleged offenses occurred. No less than 115 jobs, more than one-third of the total, were abolished as useless. Between

August, 1955, and December, 1956, the new Commission retired 3,282 bonds amounting to \$3,282,000. This is in contrast to only 591 bonds, amounting to \$591,000, retired by the old Commission between December, 1952, and August, 1955. The new broom swept clean.

NO MAGIC

The State Government, mindful that all funds come out of the taxpayers' pockets and that there is no magic in operation of the State Treasury, has tried to apply the age-old principles of thrift and prudence in the spending of money. As a result, New Jersey still enjoys pre-eminence as a State which imposes neither a sales tax nor an income tax.

There come times, however, when failure to spend money would be against the public interest and perhaps disastrous. I refer, for example, to the absolute necessity of providing funds to take advantage of the new Federal highway program. In some areas, New Jersey will get \$9 of Federal money for every \$1 it contributes. It is the greatest bargain that ever was offered. It will fill a critical need, for increasing traffic will surely strangle the State unless it is given more room to operate.

TO MATCH FEDERAL AID

On the pay-as-you-go principle, I have recommended additional revenue to insure the new Federal contributions. I oppose the effort of some legislators to dissipate the State surplus.

The surplus is actually no surplus. It is money carefully saved, in the sock, as it were, to balance the budget and to meet the imperative expanding needs of the State in the coming fiscal year.

If we do not provide new revenue to match Federal funds, we will wreck the State's fiscal balance and only postpone the day of reckoning.

HIGH BIRTH RATE

In the field of education, the picture we see is basically the happy circumstance of an enormous increase in the birth rate. Some 5,000,000 babies are now born in this country every year, more than twice the number in the depression '30s. The increase in birth rate began during the Second

World War, dipped a bit and then increased again with the Korean War. It means that our country, with a present population of some 166,000,000, will increase to 190,000,000 by 1965 and 207,000,000 by 1975.

THE OLD AND THE YOUNG

It is an interesting fact that many of the problems of government throughout the United States are created by the growing proportion of young people who must be educated, and by the growing proportion of older people who are enjoying a longer life span, but who need various types of assistance and guidance. Citizens in the productive middle group should face up cheerfully to this new phenomenon.

We have already felt the impact in New Jersey of the burgeoning school population. In the past three years there has been an increase of 16% in enrollment. What had become an intolerable burden on local school districts has been considerably relieved by State aid. Contributions from the State to such districts have almost tripled.

We must plan, too, for the tremendous tasks that lie in the near future at the doors of our colleges and universities, both public and private. It is estimated that the number of young people who will seek higher education will be tripled by 1973.

NEW POLICIES FOR THE AGED

There are now almost a million persons in New Jersey 60 years of age or older; twice that number are over 45. This is a blessing of medical and dietary science that creates new challenges in the field of social science.

During the past three years, we have developed special policies to help older workers get jobs; stepped up programs of rehabilitation; developed aid for the chronically ill; provided an improved pension structure for public employees, increased public assistance benefits; and emphasized nursing home and family care rather than prolonged hospitalization.

We are deeply concerned over the large number of aged persons who are often inappropriately placed in State mental hospitals. We are hoping to establish a geriatric center where treatment could be given to enable such older persons to return to their families. Such a policy would

have the added benefit of permitting mental hospitals to concentrate more effectively on therapy for patients who require active psychiatric treatment.

FIGHT AGAINST MENTAL DISEASE

In a special message to the Legislature in 1955, I spelled out in detail a program for the mentally ill, including the increased use of new drugs.

I am delighted to be able to tell you that, in the 12 months ending last October, the number of patients in our mental hospitals declined by 303. This is in dramatic contrast to the large increases which have occurred for many years.

There is real hope that new attitudes, both public and professional, the so-called wonder drugs and intensified psychiatric treatment will serve to permit more and more patients to return to their homes and to useful places in society.

We must fight constantly against the miserable old concept of mere custodial care, by which patients led a dreary vegetable existence. We must attack mental disease with every weapon at hand, both at the community and State level, lest it grow to unmanageable and fearfully expensive proportions.

LABOR'S NEEDS

If it be true that labor is enjoying the highest wage levels in history and that jobs are more plentiful than ever, it is also true that various injustices need be remedied. We have improved administration of workmen's compensation, but legislation to give workers better protection is badly needed. We need a more realistic schedule of weekly payments, in the light of rising living costs.

While unemployment compensation is now promptly paid, as contrasted with the long delays of three years ago, we should increase the benefits in proportion to present wage scales and prices.

Our minimum wage law is hopelessly antiquated and should be revised to cover adult males as well as women and children. We need a specified minimum wage for all citizens. As has so often been emphasized, a State labor relations act is desirable in the interest of industrial justice and labor-management peace.

STERN LAW ENFORCEMENT

Whereas, three years ago, New Jersey was plagued by organized gangsters and gamblers, the door has been slammed in their faces by a policy of strict vigilance and stern law enforcement. The new criminal investigation division continues to operate expertly. A close relationship has been built up by the Attorney-General with the 21 county prosecutors, by regular meetings with them and by furnishing assistance through the Division of Law, State Police, Motor Vehicle Inspectors and the Bureau of Traffic Safety.

It is deeply satisfying to report that in 1955, despite even denser traffic, New Jersey had the lowest death rate in its history. It was second only to Rhode Island in this regard. But we must not become complacent, and therefore, throughout each year we are using every device, from public education and road safety features to strict traffic supervision, to cut down the death and accident rate.

We have co-operated with the courts to bring the criminal calendar up to date. This has been achieved partly by getting rid of more than 30,000 untriable indictments, some of which had been gathering dust for more than a century, while many of the persons accused had long ago gone to their graves.

A STREAMLINED SYSTEM

Completed is the Herculean task of converting the old drivers' license and motor vehicle registration system into a streamlined, mechanized mail order system. This major accomplishment ministers to the convenience of all motorists, who no longer have to stand in long lines to obtain these licenses. Moreover, renewals have been staggered, with the result that the Motor Vehicle Division has a steady monthly workload.

TO SAFEGUARD STATE FUNDS

In the operation of the State Treasury, numerous steps have been taken to surround State funds with greater safeguards and to increase the interest yield of the vast sums of money in the State's keeping. These investments alone total more than seven hundred million dollars. The State is, in effect, a billion dollar-plus corporation when its cash

resources are added to its tremendous assets in physical property.

Every possible step has been taken by the Treasury to make impossible another happening like the scandalous embezzlement unearthed at the outset of my administration. All depository banks are required to provide United States bonds as security, and a system of verifying all State bank accounts has been instituted.

GREATEST IN A CENTURY

In the field of taxation, the greatest strides in a century have been made in the improvement of real property assessment practices. Last year, for the first time in our history, real property ratables were actually equalized for the purpose of allocating costs of county government. The work of local assessors has been aided by close co-operation of the State Division of Taxation. But as I have indicated in prior messages, legislative reform of the real and personal tax structure is long overdue.

The whole system of State purchasing has been tightened up and improved in the interest of economy and efficiency. A unit has been set up to standardize specifications and to test and inspect, as to quality, the goods to be purchased by the State. The Construction Bureau has been revitalized. A great deal of money has been saved by the volume purchasing of drugs, office equipment, motor vehicles and many other things.

ECONOMIC SECURITY FOR PUBLIC EMPLOYEES

With the establishment of the Public Employees' Retirement System, the great majority of State and local employees now enjoy the increased benefits of a comprehensive pension system, integrated with Federal Social Security. Employees are accorded death benefits equal to one and one-half times yearly salary. It seems fair to say that these increases in economic security have tended to improve the morale of public servants and to increase the value of their work to the public.

ROUND VALLEY

One of the State's most pressing unsolved problems is the need for water storage to provide for our domestic and

industrial needs. A step forward was taken last year when the Legislature authorized the acquisition of Round Valley, the site of a natural bowl in Hunterdon County ideal for the purpose. Over half of the site has already been acquired and the remainder will be bought in the coming months.

However, the Legislature unrealistically limited Round Valley to the use of Delaware River water. For many reasons, it is necessary to lift this restriction, so that the reservoir can take waters from the Raritan River basin, with due safeguards to preserve the normal levels of streams and lakes in this area.

The Legislature is urged to take another step forward to make Round Valley a source of water supply. Let us keep in mind that it can be filled with overflow water, water that is now wasted. Let us keep in mind also the basic fact that New Jersey's annual rainfall is bounteous enough for all the State's requirements; we need only to save water which now runs uselessly to the sea.

NOT BY BREAD ALONE

I have spoken of some of the problems created by our growing population. Man cannot live by bread alone, so it is the State's responsibility to provide more recreational facilities for our people. This is becoming increasingly desirable as the shorter work week, longer vacations and pension benefits have added to our people's leisure time. The Department of Conservation and Economic Development, along with its numerous other functions, is pursuing a four-year program to develop the State park system.

In recent years, the State has acquired Island Beach, the Worthington and Wharton tracts, a total of 104,000 acres, increasing State-owned parks and forests to 181,000 acres, not counting 82,500 acres devoted to fish and game preserves. These new territories need development so that they can offer pleasure and wholesome recreation to New Jersey's millions. For just one example, I look forward keenly to the time when miles of marvelous ocean front on Island Beach can be freely enjoyed by our people.

STATE OFFICE BUILDINGS

In a special message to you of last September, I set forth in detail the urgent reasons for new office buildings to house

the Departments of Health, Education, and Labor and Industry. These buildings could be constructed out of available funds and with substantial savings in operational costs. No action has yet been taken and I urge that the 181st Legislature authorize this sorely-needed construction.

STATUTE REVISION

Our statutory law, in many instances, is a kind of legislative jungle in which the lawyers of the State must hack their way through a maze of conflicting provisions. A thoroughgoing revision is needed particularly of Title 11, concerning Civil Service; Title 18, Education; Title 19, Elections; Title 40, Counties and Municipalities; Title 48, Public Utilities.

NO CHINESE WALLS

Though the State Government is organized by departments, we have taken care that they are not surrounded by Chinese walls. Most major problems transcend departmental lines. They can be attacked successfully only by the work of various departments working in concert. It has been one of the major concerns of this administration to keep all cabinet members informed of our objectives, and to obtain the full co-operation of department heads and their staffs. Thus, we have the encouraging sight of increased inter-departmental action to produce the best service to the public.

LEGISLATURE'S OPPORTUNITY

With these remarks, I have touched only passingly upon a few of the accomplishments of the past three years and a few of the many needs of the State of New Jersey. In the remainder of the message, I have set forth, in much greater detail, the work and requirements of the State Government, department by department. You will find, in studying the entire message, that the Legislature has a banner opportunity to make this session an historic one in service to our people.

STATE HIGHWAYS

Of paramount importance is the need for New Jersey to participate fully in the new Federal highway program. Nowhere is the need for traffic relief more urgent than in our

own State where highway transportation establishes unparalleled records each year.

Until 1930 New Jersey was a leader in the creation of a then modern highway system. However, largely because of the diversion of 275 million dollars in motor vehicle revenues to other State needs, we gave up this position of leadership. It is estimated that it would take more than 2½ billion dollars to meet our current highway needs.

A REAPPRAISAL

After World War II highway funds, in limited and unrealistic amounts, were appropriated. The State Highway Department began construction of the New Jersey Turnpike and the Garden State Parkway. It was soon apparent that funds were hopelessly inadequate to complete these projects. Therefore, two authorities were formed to finance these highways as toll roads with bonds sold to the public.

In 1954 the State Highway Department was already faced with many construction commitments for which millions of dollars had been allocated. To assure most efficient use of the limited and uncommitted balance, the Department was compelled to reappraise its entire program in terms of safety and traffic relief.

A FACE-LIFTING JOB

New techniques were developed. Old highways have been dualized by center line barriers. Uphill creeper lanes have provided separate paths for slow-moving vehicles; and additional intersection improvements and construction of overpasses have reduced congestion and prevented loss of life. The list of these face-lifting operations is long.

But there is a definite limit to the work which can be done with limited funds. The need for additional highway construction is increasing at a rate far in excess of the Highway Department's resources.

It is disturbing to note that, while New Jersey motor vehicles have doubled since 1946 and now approach the 2½ million mark, only 80 miles have been added to the State highway system. This is an average of a mere 4 miles for each of our 21 counties.

REFORM IN THE DEPARTMENT

When this administration took office the Highway Department was badly in need of improvement. Personnel had not been effectively assigned in many instances and numerous existing procedures were costly and inefficient. A modern merit-rating system for employees was put into operation. We have established standard operational procedures and eliminated much duplication of effort. State-wide two-way radio communication was installed to increase the efficiency of maintenance, equipment and snow removal work.

A continuous inventory system was established and student training courses set up throughout the Department. To assure a continuing flow of qualified new personnel, a recruitment program was started in colleges and universities. Now in its third year, this program has brought to us many able young engineers.

These are but a few of the many ways in which our Highway Department has prepared for the greatest challenge of our times—the new Federal highway program.

Attention has been called repeatedly to the need for vastly increased State funds to take full advantage of the Federal program, as well as the necessity of prompt action in the face of rising costs. The importance of non-Federal participating projects in promoting safety and relieving congestion on our highways has been stressed. Emphasis has been given to the importance of providing adequate funds for the advance acquisition of rights-of-way as a means of saving millions of dollars.

NEW LIAISON WITH RELATED AGENCIES

A major innovation has been the designation of the State Highway Commissioner to work as a liaison officer with the New York Port Authority, the Delaware River Port Authority, New Jersey Turnpike Authority, New Jersey Highway Authority (which operates the Garden State Parkway), the Palisades Interstate Parkway Commission and the Delaware River Joint Toll Bridge Commission.

All of these bodies have an intimate bearing on New Jersey's transportation problems. For example, the New York Port Authority is proceeding with its plan to double deck the George Washington Bridge. In this connection, the

Authority has agreed to contribute 24 million dollars for construction of the East-West Bergen Expressway, which will serve as an approach to the bridge. Again, the New Jersey Authority is extending the Garden State Parkway to connect with the New York Thruway. Our Turnpike has recently been connected with the Pennsylvania Turnpike and the Holland Tunnel.

RAPID TRANSIT

It might be appropriate here to note a deep concern with the establishment of convenient, economical rapid transit in the metropolitan areas of both North and South Jersey. Last year the Delaware River Port Authority submitted a comprehensive study of the problem in the southern part of the State. The Metropolitan Rapid Transit Commission, with the help of the New York Port Authority, is making a similar study for North Jersey and will submit a report during the early part of this year. I hope we can work out a program based on these reports which will relieve congestion and provide our people with comfortable transportation at reasonable rates in the metropolitan areas of North and South Jersey.

EDUCATION

New Jersey's school problem is caused largely by a vastly increased birth rate since World War II which has produced an enormous increase in enrollment. During the past three years, this increase amounts to 16%. It will continue to grow in the years to come.

During the current year, more than 880,000 pupils attended public grade and high schools and the total enrollment is increasing at the rate of 40,000 per year. In the past school year, school districts spent 285 million dollars at an average cost per pupil of \$340.

To ease the burden on school districts, the State in the past three years has greatly increased State aid for current expenses. The current year's appropriation for such aid is \$66,600,000. It will increase to almost 71 million dollars in the next fiscal year.

TRIPLING STATE AID

A separate State-aid program for capital construction has been set up. It provides for spending more than 10½ million dollars this year among the school districts and 13½ million dollars during the next fiscal year. Thus, the total State-aid to school districts is now about 3 times greater than in 1953-1954 and it will increase by over 7 million dollars next year.

We should give consideration to the small number of districts which, in spite of State-aid and high local tax rates, cannot obtain sufficient funds to build necessary school facilities. It may be that the State, in some instances, should provide a substantial part of the cost so that children in these districts will not be denied equal educational opportunities.

NEW TEACHERS

There are now some 37,000 teachers in the 567 school districts of the State. To attract new teachers, a State-wide minimum salary schedule has been adopted and the teacher pension system has been liberalized. Our State Teachers' Colleges have increased their enrollments from 3,900 to 5,200 full-time, not including 5,300 part-time students. Even so, we have been forced in this time of dire teacher shortage, to refuse admission to hundreds of well-qualified applicants.

The valuable work of the State Library was broadened by an allocation of \$50,000 for the purpose of adding a field staff to work for the improvement of local library services throughout the State.

State-aid classes have been developed for mentally retarded children and for the physically handicapped at an increased cost to the State of almost 2 million dollars.

PROBLEMS OF HIGHER EDUCATION

During the year, the administrative structure of Rutgers, The State University was reorganized. Since 1953 the State's annual contribution to the University has increased over 3 million dollars. Rutgers now has an enrollment of some 14,000 full- and part-time students. But those seeking admission to Rutgers will greatly increase in the very near future.

A study conducted by the Department of Education estimates that by 1963 the number of New Jersey students seeking admission to college will double. It will triple by 1973. By 1963, in spite of planned expansions by private and out-of-state institutions, one out of every three potential college entrants may have no place to enroll. If more facilities are not provided by 1973, one of every two possible entrants may be without a place.

It is apparent the State must begin planning immediately to meet this critical situation. The study should include an analysis of the functions and facilities of the State University, the ability of private colleges to absorb a part of the increased enrollment, and a survey of the six State Teachers' Colleges to see to what extent they should be expanded and broadened in scope. The State Board of Education is undertaking a study of these problems and will submit a report during the current year.

STATUTE REVISION

The Department has completed a draft of a long-needed revision of Title 18, laws relating to education. The revision will be submitted to you for enactment during this session. The State Board of Education is codifying its rules and that code, plus a volume of judicial and administrative decisions under the education law, will be issued shortly. It will be the first such publication since 1949.

CIVIL RIGHTS

In the field of civil rights, which have been denied in some States to persons because of their race or religion, we in New Jersey have reason to be thankful. We have faced our problems and have met them with considerable success.

The annual report of the Division Against Discrimination for 1955-1956 shows that 230 complaints were disposed of in that year. The State may take pride in the fact that only one employment case was required to go to public hearing; indeed this was the only public hearing among 1,183 formal employment complaints in 11 years. All other cases were dismissed or successfully adjusted.

HUMAN RELATIONS

In addition to handling complaints, the Division does a good job in improving human relations among all the elements of our cosmopolitan population. Through employment and public accommodation surveys, work shops, conferences, lectures and other means, our people are kept informed of the prevailing climate in civil rights and thus are able to adjust many problem situations.

Notably, the division has worked with intergroup agencies in helping more than 30,000 Puerto Ricans to work and live among us.

INSTITUTIONS AND AGENCIES

By far the largest of our fourteen departments is the great complex of humanitarian services entrusted to our Institutions and Agencies. With the completion of substantially all of the bond issue construction authorized after World War II, the staff of this vital program has increased to almost 11,000 men and women in a variety of occupations.

There are 104,000 persons, or about one of every 50 in the State, directly affected by the Department's program.

You will recall that in the special message on mental health in March of 1955, I urged the Legislature to invest heavily in a strengthening of our attack on this front. The people of New Jersey will be gratified to learn that for the first time in memory, the number of patients in our State mental hospitals declined by 303, even though our growing population was reflected in growing admission rates.

TO ENCOURAGE FRESH VENTURES

New attitudes, new drugs, new approaches, and a new public awareness have contributed to this encouraging trend. News of this heartening advance should be received with caution since it represents progress in only one small area of our total task of attacking mental illness. But it should serve to encourage fresh ventures and to justify our continuing resistance to the hopeless apathy that so long had characterized the approach.

We have just received the gratifying news that our Trenton State Hospital has been approved by the American Psychiatric Association for a three-year residency training

program for doctors. This is one of a very few approvals given to State hospitals not directly connected with university medical schools.

Again I urge that we move boldly to resist the onset of mental illness at the community level. For 30 years we have watched the success of the limited State "demonstration" clinics. Skilled professional teams have kept many patients from our State hospitals, have helped them remain in their homes and in their jobs.

GRANTS-IN-AID

But the State cannot and should not do this job alone. The communities in this State should be helped to provide these preventive services which many now find beyond their means. In the budget message, therefore, I shall propose the payment of grants-in-aid for community mental health projects. This can stimulate strong citizen support, stabilize the financing of these services, insure their development with high professional standards, and help to hold down the number of patients who would otherwise crowd into State hospitals.

I am confident that the people of New Jersey prefer such an investment as the 20th century alternative to the past emphasis on mere custody.

PROGRESS AT BORDENTOWN

At the former manual training school in Bordentown, we have established a training and research center. I am happy to report that already 100 mentally retarded boys are in training under expert guidance. As renovations to the plant progress, the number will be increased to some 400 boys and girls. The emphasis will be on research and on intensive training for family and job placement. This new center represents a bright new hope for handicapped children and their loved ones.

Some 200 prisoners are now employed on 21 projects in State forests and parks. By this means prison idleness is reduced, patients in non-correctional institutions are being relieved from maintenance work unrelated to their treatment, and training in useful work is done at a minimum cost and with resulting improvements in public lands.

VALUE OF PROBATION

At the State Prison and its branches, more supervisory officers have been provided and trained and the base of inspection and supervision has been broadened. Consistent with the recommendation of the Law Enforcement Council, parole supervision has been improved through higher salaries, reorganization of the bureau, and the development of a system to insure that no prisoner misses a legitimate opportunity for parole.

We must consider seriously ways by which probation services at the county level can be improved. Probation well administered offers better opportunities for rehabilitation than imprisonment.

NO BLACK AND GRAY MARKETS

Despite justifiable concern nationally, the people of New Jersey can be proud that in this State black and gray markets in adoption have been virtually eliminated. We protect the rights of the child, the parents and the adopting family.

PUBLIC ASSISTANCE

Improved procedures in public assistance have cut administrative costs and enabled case workers to give more effective services. At the same time, allotments for food, clothing and other personal needs were increased in line with cost of living changes. Use is being made of Federal surplus foodstuffs in order that the needy may share in our country's abundance.

Recent amendments to the Federal Old Age and Survivors' Insurance Act require certain changes in our State assistance laws which should receive your prompt attention.

Last year a commission was created to study the administration of public medical care. We await their report on the way in which such care is financed and furnished to people who receive public assistance.

COMPACT ON MENTAL HEALTH

Last month I signed the interstate compact on mental health. New Jersey is the third state to ratify this agreement for improved procedures for the transfer and treatment of the mentally ill in the various states.

Under its terms, the states recognize that care and treatment bears no primary relationship to the residence or citizenship of the patient and that the controlling factors should be humanitarian rather than technical.

LABOR AND INDUSTRY

We have sought to improve and expand the activities of the Division of Workmen's Compensation, so important to the welfare of the injured employee.

Provision is now made to plan the training of the seriously injured person immediately after the accident and to insure that he is given benefit of the latest advances in medical treatment and physical restoration.

Preference is being given to cases involving more serious disability so that early benefits may be paid. An arrangement with the Rehabilitation Commission has plugged the gap in payments to totally injured persons who are to receive benefits beyond the 450-week maximum award.

FOR MORE ADEQUATE PROTECTION

To insure fairer treatment in cases closed by settlement between employer and employee, the division has taken on responsibility of inquiring into the terms of settlement. During the past year, as a result of this program, hearings have resulted in additional benefits to injured workmen.

Existing procedures for judicial review of workmen's compensation cases are cumbersome and need revision. I am appointing a committee consisting of representatives of labor, industry, and the division to submit recommendations for revision of these procedures.

But improvement in administration is not enough. Legislation is overdue which will give employees more adequate protection. The recent increases in maximum weekly payments are not enough. The President of the United States and his Secretary of Labor have recommended adoption by the States of a more adequate schedule.

EMPLOYMENT FOR THE HANDICAPPED

Physically handicapped persons often have a hard time finding jobs. Some employers fear that if they take on such a person and he suffers injury, the employer or his in-

surance carrier may be compelled to pay benefits for the prior handicap as well as for the later injury.

It is recommended that legislation be adopted to provide specifically, as the law does now in cases of 100% disability, that in all cases the employer is to be held responsible only for such disability as results directly from the compensable injury. The 1% fund can be made available for the balance of the disability. Such legislation might also include provisions whereby an employer could ask the Rehabilitation Commission for a certificate specifically fixing in advance the percentage of disability of the prospective employee.

A draft of legislation has been prepared to cover the increasingly important problem of radiation hazard. However, the draft has been withheld at the request of the U. S. Department of Labor pending recommendations of a Federal committee which is now working on a model bill.

NO MORE DELAYS

Consideration should be given to legislation which would increase benefits to 100% disabled employees, widows and dependents of workers in fatal accidents whose awards, based on prior statutory rates, are inadequate at the present time.

EMPLOYMENT SECURITY

Three years ago, there was great and justifiable complaint about delays in the payment of unemployment compensation. In 1953 only 68 per cent of first claims were paid within the 2-week period established by Federal standards. Some were forced to wait 10, 12, or even 15 weeks. At present, more than 90% of first claims are paid within two weeks, and that figure is well above the national average.

Experience shows that some modifications of our employment compensation system are necessary. Benefit schedules both in dollar amount and in the maximum period for which they are payable should be revised. Again, the need for such revision has been suggested by the President and the Secretary of Labor.

Under the present system, an employer who has less than four persons in employment is not required to pay unemployment compensation. I recommend the law be amended to make it applicable to every employing unit.

Only four States, of which New Jersey is one, have not adopted legislation recommended by the Federal authorities which would permit reciprocal arrangements with other States for continuing wage credits. The required amendment to permit such reciprocal arrangements should be adopted.

INDUSTRIAL SAFETY

We have given much time and thought to the question of industrial safety. We have developed a mine safety program, a safety award program, in-service training for safety inspectors, and a board of inquiry to determine the cause of every fatal accident.

MINIMUM WAGE

Our minimum wage law, as I have pointed out, is completely out of date. It applies now only to women and children. It should provide a specified minimum and be made available to all who are engaged in intrastate employment.

Because of the increasingly restricted applications of the National Labor Relations Act, employer and employee in intrastate and some interstate industries are without protection. We need a State Labor Relations Law through which unfair labor practices may be defined and prevented, and through which collective bargaining representatives may be selected and certified. I recognize there are divergent points of view concerning such legislation and, therefore, recommend that public hearings be held so that the issues can be resolved.

LAW AND PUBLIC SAFETY

For the first time in the State's history, the Division of Law in the last three years has functioned on a full-time basis under the direction of a full-time Attorney-General.

Although the staff and the budget have remained reasonably constant, the work of the division has increased both in volume and scope. In addition to day-by-day advice to all departments, in 1955, 220 opinions were issued, 370 legislative memoranda prepared, and 64 appellate matters briefed and argued, 51 successfully. By contrast, only 88 legal opinions were rendered in 1952 and 113 in 1953.

CO-OPERATION WITH PROSECUTORS

Enforcement of the criminal laws rests primarily in the 21 county prosecutors. The Attorney-General, however, has tried to achieve uniformity of their activities. A criminal investigation division is operating in his office. He is in constant communication with the prosecutors and furnishes assistance to them through the State Police, motor vehicle inspectors, Division of Law and the Bureau of Traffic Safety.

By close co-operation with the State Supreme Court, some 30,000 untriable indictments have been dismissed. Some of them had been gathering dust for more than 100 years. Our criminal courts have thus achieved a realistic concept of pending business.

ARCHAIC LAWS

Much remains to be done to combat an increasingly clever criminal element. We should re-examine our laws relating to our prosecutors' offices. In many respects, these laws are archaic and should be brought up to date.

Once again, I urge the adoption of a police training program such as is embodied in Senate Bill No. 178 of the 1956 session. We also need an adequate system of crime reporting, a recommendation in which the Law Enforcement Council recently joined.

WORK OF THE STATE POLICE

In 1954 we conducted a survey of the methods, structure and operations of the State Police. It resulted in improved administration. In the fiscal year 1955-1956, the State Police had the greatest year in their 35-year history. They engaged in 46,823 general investigations, 37,323 criminal investigations and made 132,963 motor vehicle arrests. Through fines and costs and other sources, the State Police turned into the State Treasury the unprecedented total of \$3,059,516.

LOWEST DEATH RATE

In 1955, in this most densely traveled State in the country, we were able to achieve the lowest death rate in New Jersey's history. On a nation-wide basis our record was surpassed only by Rhode Island. I have reason to believe,

although the final figures have not been compiled, that we did as well or better in 1956.

We attacked the problem by a policy of strict enforcement, of constant use of the State Police, by the aid of county prosecutors, by setting up traffic co-ordinators in each county, by the safety engineering efforts of the Highway Department and by the help of the press, radio and television.

MOTOR VEHICLE CONVERSION

In less than nine months in 1955, the Motor Vehicle Division accomplished the conversion of our motor vehicle and driver licensing system. To do so it had to change its manual records into machine records. There were over 5 million of these old records. Personnel had to be trained to handle the machines and a rigid production schedule was set up.

It was a remarkable accomplishment which some experts said could not be completed inside of a year. Our motorists may now receive their registration and driver's license by mail. No longer must they wait in long lines. Renewals are staggered so that the division has a steady monthly workload. We look forward to even greater efficiency in the operation of this system.

Our Motor Vehicle Inspection stations have lagged far behind our constantly growing vehicle population. In the 18 years between 1937 and 1955, only two new inspection lanes have been added. The inadequate facilities were a source of vexation to car owners who often had to endure long and tedious delays to obtain this service.

In casting about for a solution, a new idea was developed, that is, the use of drive-in theatres. These theatres, not used for daylight performances, are ideal places for inspection lanes. Nine such lanes are now in operation at a very low cost for both construction and maintenance. Drivers enjoy off-street parking. In each lane, 45 cars can be inspected every hour. In this way years of neglect are being remedied.

With the construction of new lanes and temporary reduction of inspection from two to one annually, our motorists no longer cool their heels for hours for inspection of their cars.

A long range construction program of motor vehicle field stations is also giving New Jersey its first modern driver license examinations facilities. Two of these stations are under construction and four more will be begun this year. These will provide tremendous improvements in an even more neglected and important phase of New Jersey's highway safety program.

WATERFRONT COMMISSION

While not a function of the Department of Law and Public Safety, it seems appropriate to mention here the work of the Waterfront Commission of New York Harbor. The Commission has made progress in its efforts to improve the lot of the men who work along the waterfront and to restore peace and prosperity to the Port of New York, on which so much of the economy of the two States depends. Such progress has not been without opposition.

The Commission's program has increased work opportunities for bona fide longshoremen resulting in an increase in one year of over \$1,000 in the average annual income of a longshoreman.

The legislation which this State has just adopted, and which it is hoped will be adopted shortly by the State of New York, should strengthen the hands of the Commission and permit more effective accomplishment of the objectives of the Compact. Improvement in physical security of piers and cargo is also to be expected from the recent amendments to the Commission's regulations governing port watchmen.

TREASURY

Better management of State funds has reduced idle money and greatly increased the interest income on its investments and bank deposits. Such interest in the present fiscal year is expected to exceed \$2,900,000. This is about \$775,000 more than last year and is about twice the highest amount received in any of the preceding four years.

Legislation establishing the State Investment Council was adopted in 1950, after it was found that prior practices in the investment of State funds had resulted in mismanagement, inefficiency, and actions based upon political considerations to the loss of the State and the trust funds involved.

The basic objective of the legislation is that the Council shall set policies to guide investments of State funds. The Council has a fine record of accomplishment. It should be permitted, without hindrance, to continue its efforts to attain the legislative objective.

IMPROVED METHODS

The risk to the State's demand deposits has been materially reduced by a program to require all depository banks to provide United States bonds as security. A system of verification of all State bank accounts has been worked out for national banks with the Federal bank examiners and for State banks with the State bank examiners.

A simplified form of financial report is now issued about 20 days after the close of each month, with tables showing current revenues and expenditures. This has proved a useful management tool.

Checkwriting for both payroll and general purposes has been put on a punch-card basis which has made possible a daily reconciliation of balances by mechanical equipment.

To improve efficiency of operations, studies are under way for increased co-operative use of modern business machines and equipment in the various departments.

FIRST TIME IN HISTORY

In the past three years, the greatest forward strides in the century have been made in real property assessment practices. In 1956, for the first time in history, real property rates were actually equalized at the county level for apportionment of the cost of county government. This achievement was accompanied by apportionment of the cost of school districts comprising two or more taxing districts, and the distribution on an equalized basis of more than 60 million dollars of State school aid. Local assessors have been aided through assessors' manuals, instruction courses and information furnished by the Division of Taxation.

BETTER PURCHASING METHODS

The work of the Purchase Bureau, due to a 1955 reorganization, is now current. Through the newly established control system and regular monthly reports, the status of that work can be determined at all times. Previously there was

no way of determining, except from the volume of complaints, what part of purchase applications remained unprocessed and for how long.

A unit has been established to set up standard specifications and to test the quality of goods purchased for the State's account. It is saving substantial sums.

Through the establishment of a Coordinator of Motor Vehicles, large economies have been made in the purchase and operation of the State's motor vehicle fleet. We have adopted volume purchasing in many areas such as motor vehicles, drugs and office equipment, to produce savings over piecemeal buying.

NO GIFTS

Many old abuses have been eliminated and a healthier atmosphere created by the law which forbids acceptance of any form of gift or gratuity from persons doing business with the State. A 1954 Treasury regulation forbids any employee of that department from engaging in outside business or otherwise acting in any transaction which may present a conflict of interest. I again urge you to consider general legislation on this subject.

Over 4 million dollars' worth of Federal surplus commodities was distributed in the last fiscal year by the Agricultural Distribution Section of the Purchase Bureau. School lunch programs and State institutions shared. This was more than double the previous year's figure and it is expected the program will rise this year to 5 million dollars.

PROGRESS IN PENSIONS

With the establishment of the new pension system for public employees and teachers, the great majority of State and local employees were brought under Social Security. Members were accorded non-contributory death benefits equal to one-and-a-half times annual salary, plus survivors' and dependents' benefits. Public employee veterans were brought into the retirement system. Huge prospective liabilities of public employers under the Veterans' Retirement Act were eliminated.

Permission was granted by legislation to place all death benefits under contract with an insurance company. As a

result of competitive bidding, the Board of Trustees entered into an agreement with the private insurance company which had submitted the lowest schedule of retentions. The new program became effective December 1, 1956, and permits public employees to purchase additional life insurance at low rates.

Substantially the same benefits and rate structure were given the members of the Teachers' Pension and Annuity Fund that are applicable to the Public Employees' Retirement System. Thus, retirement allowances available to teachers were increased materially. In addition, special benefits for service connected disability and death were extended to them.

CONSERVATION AND ECONOMIC DEVELOPMENT

Over the past three years, many steps have been taken to produce in this Department a more vigorous and compact administrative unit. They included development of an organization chart; an annual reporting system; regular staff meetings of division and bureau leaders; technical cooperation across division and bureau lines; re-establishment on a full-time basis of the post of State Forester; and reorganization at the bureau level.

LAND USE

A Land Use Committee was created in 1954 to produce better management of New Jersey's physical resources. The land area of New Jersey, one of the smallest States in the union, supports the eighth largest population in the nation. Thus we are compelled—not by any attachment to abstract philosophy but by urgent practical needs—to achieve the most diversified possible use of lands under our jurisdiction.

The value of the Land Use Committees work is most apparent in long-range planning for use of Wharton Tract. With specialists from many fields, the committee has projected a program for this tract of timber production, watershed development, hunting and fishing and other forms of recreation, and the preservation of historic sites. The same multiple-use principle will be applied to other State lands such as Island Beach.

RECREATION NEEDS

Our expanding population, greater leisure time and increased interest in outdoor activities require more intensive development of the State park system. Our beaches, woodlands, lakes and rivers should be made readily available to all of our people.

During recent years, the amount of land owned by the State has increased. Island Beach, Wharton Tract and Worthington Tract, a total of 104,000 acres, have been acquired. This increases State-owned parks and forests to 181,000 acres, in addition to 82,500 acres devoted to game and fish preserves.

But the mere acquisition of more land is not enough. It must be put to full use by the public. Since 1954, after more than a decade of neglect, the State has corrected deferred maintenance, so that our public parks today are in the best condition they have ever been. The improvement program will be completed over a four-year period at a cost of 3 million dollars.

LESSONS OF THE 1955 FLOODS

The major floods of 1955 taught some valuable lessons. As a result, the U. S. Weather Bureau has strengthened its flood forecasting service for the Delaware River Basin and, at my request, has extended this service to the intrastate Passaic and Raritan River drainage areas.

A program has been undertaken to mark flood stages plainly and permanently. While adequate warnings and flood insurance will greatly reduce suffering, danger to life and property persists in the continued industrial and residential development of lowlands. Flood plain zoning is the key to the use of areas subject to inundation. A special committee should be created to examine benefits that may be derived under the Federal Flood Insurance Act and the requirements for State participation. I repeat my earlier request for such legislation.

MIDDLE INCOME HOUSING

A report of an advisory committee indicates that the "most important housing problem facing the State is the providing of adequate and decent accommodations for

families of moderate income." Subsequently, a report of the Legislative Middle Income Housing Study Commission found that "there is a need for middle income housing in the State of New Jersey."

A SUGGESTED PLAN

I recommend to the Legislature that laws be enacted to provide financial assistance to meet this need. It should be in the form of a no-cash subsidy program to avoid any new taxes. A plan has been suggested of pledging the State's credit to guarantee bonds to be issued by the Public Housing and Development Authority, so that funds may be obtained at the lowest possible interest rate. These funds could then be made available to groups which will construct this much-needed housing under proper State supervision and regulation. We should consider seriously this proposal.

TO ATTRACT NEW INDUSTRY

During the past three years, we have been active in seeking to attract new industry and to keep or expand industry already here. Several new techniques have been used, such as the Governor's Committee on Resort and Travel, whose purpose is to extend the regular shore season and to make fuller use of the Garden State Parkway. Also developed was the idea of naming economic ambassadors of New Jersey whose basic mission is to attract new enterprise. In addition a survey was started to determine how the State can assist the independent business man.

I plan to appoint an Air Facilities Planning Committee to insure that New Jersey keeps abreast of all new aviation developments and that the State shall be ever mindful of the safety and comfort of citizens in areas of heavy air traffic.

NAVIGATION PROBLEMS

Because of the increased public interest in boating in both tidal and non-tidal areas, a serious law enforcement problem faces the State. I propose the establishment of a Marine Traffic Court with broader jurisdiction than the present navigation or municipal courts.

In 1955, 21,000 operator's licenses and 13,000 registrations for power vessels were issued. These figures have

risen in 1956. Operators of these boats who violate marine regulations should be brought to account.

At present, the Coast Guard requires that only outboard motor vessels over 16 feet in length be numbered. The large increase in vessels under 16 feet makes their registration desirable as well. Attention should be given to the bill submitted to you last year increasing the lighting requirements for pleasure craft.

NEED FOR WATER STORAGE

Last year legislation was adopted authorizing the acquisition of Round Valley as a reservoir site. The Department proceeded immediately with the necessary negotiations and appraisals. More than half of the area has now been acquired and it is estimated that by the end of the current fiscal year title to the remainder will lie in the State.

Favorable climatic conditions during the past year spared New Jersey from water shortages which have been common in prior years. It would be foolhardy, however, to be dependent upon such uncertainties. Our rainfall is sufficient to provide us with an ample water supply. But this can be utilized only by adequate storage capacity.

Present law limits Round Valley to the use of Delaware River water. The operation of the reservoir is not feasible on that basis. The act should be amended to permit the reservoir to store water from the Raritan River Basin with adequate protection for those dependent upon the water supply in that basin.

ROUND VALLEY RESERVOIR

Attention should likewise be given to the actual construction of the Round Valley reservoir. Whatever program is evolved, it should meet certain basic criteria: it must insure that the water resources of the State are used for the benefit of all the public at the lowest possible cost, and it must take into account demands for public and industrial water supply, irrigation, pollution abatement, recreation and flood control.

Because of the time required to plan, construct and fill a reservoir—five to seven years—it is imperative that the project be commenced this year if the State is to meet its obligations to its citizens. I hope that a program may be developed through bi-partisan co-operation so that a method

of financing the project can be submitted to the voters at the next general election.

In addition to Round Valley, prompt study should be given to the underground water table in South Jersey and to plans for the use of that water supply.

HEALTH

The most urgent need for more effective public health administration at the State level is for modern facilities to replace the inadequate, dispersed, overcrowded offices and laboratories of the State Department of Health. New Jersey citizens deserve complete and prompt service to meet their health needs. To do so, we must have proper physical facilities.

CRAMPED LABORATORY FACILITIES

It is difficult for the laboratory in its present cramped, unsuitable and unsafe facilities to analyze milk, food, drugs, water, sewage, air and industrial samples. More than 50 thousand of these are submitted annually in the conduct of health programs and in the enforcement of public health laws.

Similarly, technicians making over one-half million serological and other tests annually find laboratory facilities inadequate. Work in the diagnosis of poliomyelitis and other viral diseases must actually be referred to out-of-State laboratories where personnel from this department have the privilege of working.

PROGRAM FOR CHRONIC ILLNESS

The problem of chronic illness has been vigorously attacked. Grant-in-aid funds have been effective in:

Providing equipment so that our citizens may have the earliest possible diagnosis of conditions involving the brain, heart and other vital organs;

Helping local hospitals develop services to control alcoholism;

Informing physicians of the latest advances of the treatment of the heart and circulatory system, including heart surgery;

Developing therapy to permit bed-ridden patients to leave hospitals and maintain themselves in the community.

TESTS FOR DISEASE

The department took over 360,000 chest X-rays from January, 1954, to January, 1956. The survey resulted in the referral of 11,705 persons to their physicians and to clinics for further chest X-ray studies from which 569 newly discovered cases of tuberculosis were reported. In addition, 13,512 persons suspected of having enlargement of the heart or large blood vessels, and 657 persons suspected of having malignant diseases were referred to their physicians. In 1955 and 1956 more than 26,000 received diabetes tests and 454 persons were referred to their physicians.

A code to control open burning formulated by the New Jersey Air Pollution Commission became effective May 1, 1956. As a result, a number of municipalities, industries and others have stopped open burning and New Jersey air is clearer to that extent. We have a long way to go, however, in the completion of this task.

Existing food and drug laws, patterned after Federal statutes at the time of their enactment, have become obsolete by changes in Federal law, technical advances and reorganization of the State Government. Amendments will be recommended during this session of the Legislature.

The Department has been alert to the needs for protection against the hazards of radiation which are rapidly increasing in number and intensity. In this regard, the program of the Department of Health is the most advanced of any in the country.

Actions to compel abatement of stream and water pollution are being pressed.

STATE

I have repeatedly recommended a complete revision of Title 19 covering election laws. In its present state of confusion, it is an enigma to lawyers and a headache to election board members.

Another recommendation of long standing is to provide voting machines in each of the remaining counties now using paper ballots. Voting machines are now used in 12 of our counties but nine still cling to the old method.

Many voters are disfranchised every election because of mistakes in handling the paper ballots. In addition to the

fact that voting machines are more convenient both for voters and election officials, they are less expensive in the long run.

TO REDUCE RESIDENCE REQUIREMENTS

Many persons lose their right to vote because they cannot comply with the constitutional requirement providing for a minimum residence of one year in the State and five months in the county. This requirement may have been justified at the time of its adoption more than a hundred years ago, but it is an anachronism today. As noted in my first annual message, the people should be permitted to vote on a constitutional amendment reducing State residence requirements to six months and county residence to forty days.

REAPPORTIONMENT

I cannot repeat too strongly my request for action on reapportionment of Assembly seats. It was encouraging to note that, following my annual message of last year, nine bills or resolutions were introduced on this subject. However, only two bills passed the Senate and the others remained in committee. The Assembly took no action at all. A formula should be adopted to eliminate partisan considerations from this constitutional duty.

Redistricting of congressional districts is needed. It is obviously unfair for one Congressman to speak for one-half million people while the Congressman in the next district represents only a fraction of that number.

The Bureau of Government Research at the State University prepared a survey of congressional redistricting which was distributed to you last summer. This matter has been hanging fire for more than a quarter of a century and further delay cannot be justified.

BINGO AND RAFFLES

New Jersey can look with satisfaction upon three years' experience of the Legalized Games of Chance Control Commission, popularly known as the Bingo Commission. The entire nation watched this pioneering experience in New Jersey. To the satisfaction of the majority, the law has been administered for the benefit of religious, educational, public-spirited and charitable groups.

Since the approval of the program, 5,500 organizations have been given identification numbers and more than 60,000 games of bingo and raffles have been held. For the first 11 months of 1956, receipts from the games exceeded 20 million dollars.

CIVIL SERVICE

PERSONNEL

A modern State Government must, of course, place great reliance on the capacity and the ingenuity of its State employees. In the budget message last year the importance of sound and progressive policies for the State in its role as an employer was set forth. Much of this program and this philosophy needs continuing application and adjustment. Certain specific requests will be renewed in the budget message.

A TIME-WORN CONCEPT

Our employees share with students of government generally the conviction that much of our present personnel code grew out of the time-worn concept of civil service as a basically negative fight against the spoilsman and an attempt to thwart the attempts of administrators to toss out the career public servant.

Today's needs and today's conditions call for much more than that. They demand a positive personnel program; with vigorous new recruitment and selection techniques; with training and staff development as a major concern; with progressive employee relations policies; and with attention to all the phases of an enlightened personnel program that will guarantee the best of service to the State, with staff of high morale, and with appropriate recognition for the kind of devoted service they are called upon to render.

A MODERN PROGRAM

Successful steps have been taken in the direction of a modern personnel program, and continuing studies of salary and wage data in comparable outside employment have been maintained. The benefits of old age and survivors insurance have been integrated into our pension system. Group life insurance has been provided. Pre-retirement

counseling is a continuing service. Expansion of in-service training programs has helped to prepare career employees for promotional opportunities and has enlarged their contribution to State service. Our colleges and universities have been tapped as a source for new young talent for State Government. Our paychecks are now on a biweekly basis. Continuous recruitment has been started for hard-to-fill stenographic and other jobs. Uniform grievance procedures and a clarification of overtime policies have been undertaken. Fire hazards and unsafe working conditions are being routed out. The State is, for the first time, vigorously applying to itself the standards that it has long enforced upon private employers.

A thorough study should be undertaken of our civil service statutes and the rules and regulations promulgated pursuant to Title 11 of the Revised Statutes.

APPOINTMENTS

When the conditions of work for our employees are improved, the State can rightfully expect dividends in the form of efficient service. Our public employees respond to fair treatment and effective leadership. That is why I have sought to fill appointive posts with men of integrity and capacity and the understanding to liberate most effectively the talents of career employees. Every effort has been made to restore among the State employees a real sense of pride in their accomplishment. And through all this, the people of New Jersey have a right to take pride in the calibre of their service.

AGRICULTURE

Despite the extension of industry and home building into rural areas, agriculture remains a vital segment of the New Jersey economy. More than one-third of the total area of the State is in farm use and more than 80,000 workers are employed in agricultural activities.

Farm land values and costs of production in New Jersey are among the highest in the nation. These factors demand efficient operation in terms of high yields, which account for the State's rank as number one in gross income per acre—\$195.00. The value of our farm products is estimated for 1956 at 375 million dollars. With the exception of eggs and

milk, the returns for most New Jersey crops were improved last year.

CONTROL OF PESTS

New Jersey's position as a corridor State creates a continual threat of insect and disease invasion, against which the State Department of Agriculture is alert to act. Since 1950, the percentage of cattle in our brucellosis program has risen from 30% to 98%. By April 1, 1958, all herds must have been tested.

The timely use of emergency funds accounted in 1954, for the eradication of the white fringe beetle. This is a pest even more destructive than the Japanese beetle.

Last year, in co-operation with Federal authorities, the Department of Agriculture checked the gypsy moth by spraying over 50 thousand acres of woodland. This spraying will continue in 1957.

A prime factor in the development of our poultry industry has been the blood testing of breeding stock. Some 950 thousand such tests are made each year. Today poultry is our leading farm industry, accounting for more than 131 million dollars of income last year.

Prompt action has curtailed the spread of vesicular exanthema among our hog population.

A State-wide committee of livestock breeders has petitioned the department for a better and more complete diagnostic laboratory service. To protect our livestock industry, improvements of this nature must be given careful consideration.

AIDS TO MARKETING

New Jersey's crossroads position produces numerous marketing problems. Our nearness to large markets provides an outlet for our products but it is also productive of competition. The department has expanded its marketing services and facilities.

Last year the Division of Markets assisted in the movement of 840 million eggs, one-third of our entire production. Other marketing activities included the inspection and grading of about 165 thousand tons of tomatoes, four times the tonnage of 1955, and 54 million pounds of asparagus.

Since grades determine prices these services are of real benefit to the growers.

IN BEHALF OF MILK PRODUCERS

Attempts have been made to alleviate the plight of milk producers in this State to insure a fair return to them and, at the same time, to protect the consumer. Milk producers believe that the best method is to get a separate Federal milk marketing area established in New Jersey. On recommendation of the Governor's Milk Committee and other interested parties, the U. S. Secretary of Agriculture held informal hearings in New Jersey in 1954. Formal hearings began in June of last year and every effort has been made to expedite the proceedings and to obtain a fair order for New Jersey producers.

The Rural Advisory Committee appointed by me is making a continuing study of rural problems in this State. The committee is composed of leaders in various phases of agriculture, as well as representatives from the State University. The committee has extensive plans for integrating farm activity with the over-all development of the State. Its plan will be treated in the budget message.

BANKING AND INSURANCE

This department protects the pocketbook of every one of our citizens. This becomes evident when we realize that it examines and supervises the affairs of hundreds of State banks, insurance companies, building and loan associations and finance companies. They have assets in excess of 100 billion dollars.

In conjunction with the Treasury, the department has carried out a plan for verifying deposits of State funds in banks, a safety program evolved after the disclosures of the investigation of the Division of Employment Security.

INSURANCE OVERCHARGES

An inquiry by the department showed that many car owners have been overcharged in the purchase of automobile collision insurance. As a result, more than one-half million dollars have been refunded to policyholders as of last October. The inquiry is continuing and more refunds

are anticipated. Recommendations for amendments to the rating laws to make enforcement more effective will be submitted to you.

OTHER ABUSES

Additional regulations relating to accident and sickness insurance have been issued to eliminate abuses which have developed in the sale of such insurance. A bill will be submitted to you to regulate financing of sales of motor vehicles to protect our citizens from abuses in that field.

Another area which warrants legislative consideration is the regulation or possible elimination of so-called debt adjusters. Investigations in neighboring States show that some of these unsupervised agencies have been engaged in activities harmful to their clients and the public. Some of these unsupervised agencies have begun to do business in this State.

EMPLOYEE WELFARE FUNDS

Discussion will be had with legislative leaders concerning a bill to protect members of employee welfare funds. Among other things, the bill should provide for registration of such funds with the Department of Banking and Insurance, the filing of periodic reports, examination of the funds, and disclosure to beneficiaries of the details of benefits and management.

PUBLIC UTILITIES

The work of this department also affects every citizen of this State. It has general supervision, jurisdiction and control over telephone, electric, gas, water and transportation facilities. Its responsibility is to assure continuous, necessary, safe, reasonable, adequate and proper services for the public at fair and just rates.

There are approximately 600 privately-owned public utilities under the department's jurisdiction, in addition to the intra-state activities of the State's railroads. Investment in the utilities, aside from the railroads, approaches 2½ billion dollars and their annual operating revenue amounts to 780 million dollars.

THE FIXING OF RATES

An important part of the department's activities involves the fixing of rates which public utilities may charge. In carrying out this function, this department conducts extensive public hearings. The public interest is represented not only by counsel for the consumers involved and the municipalities affected but also, in most cases, by rate counsel appointed by the Attorney-General.

The department inspects semi-annually, some 5,000 buses, investigates approximately 1,000 customers' complaints against utilities each year and passes upon corporate financing by utilities.

GRADE CROSSING ELIMINATION

Pursuant to the grade crossing elimination program, three railroad grade crossing projects have been completed during the past three years at a cost of 7½ million dollars. Under existing law, the State pays about 85% of this cost. Serious consideration should be given to additional grade crossing elimination.

In the interest of commuters, the department has intervened before the Interstate Commerce Commission in opposition to applications by railroads to eliminate services which are deemed necessary to the people of this State.

Title 48 covering Public Utility law is in need of revision and action should be taken with all reasonable dispatch.

DEFENSE

The New Jersey National Guard has made steady progress during the last three years in its three principal fields of endeavor: personnel recruiting, training and armory construction.

The aggregate strength of the National Guard has risen steadily from 12,564 in November, 1953, to 14,399 in November, 1956, of which 1,662 are in the Air Guard. This trend is expected to continue as more training facilities become available. We should be proud of the contribution our National Guardsmen are making as an integral part of our Nation's defense forces.

THE SPAATZ TROPHY AND OTHER AWARDS

During the same three-year period, our Army and Air National Guard have progressed substantially in their training program. Army National Guard units average "Excellent" in the annual inspection ratings by Regular Army Inspectors.

The high level of Air National Guard training is exemplified by the award of the Spaatz Trophy to the 119th Fighter-Interceptor Squadron, NJANG, as the outstanding Air National Guard Tactical Squadron in the United States. There have also been several Flying Safety Awards made to our squadrons, based on records made, despite their transition into the more complex jet aircraft. An innovation during the period was the integration of our National Guard Antiaircraft Artillery into the On-Site program. There are now six sites in the State which have been taken over by the Guard from the Active Army, although they still function as a part of the Active Army Defense System. These are manned 24 hours a day by Guardsmen.

NEW ARMORY CONSTRUCTION

Notable among our Department of Defense achievements is the progress made in constructing new armories and training installations. Since January 1, 1954, with 75% of the funds coming from the Federal Government, armories have been constructed or are under way at Phillipsburg, Bordentown, Franklin, Toms River and Washington, New Jersey. In addition, a number of our existing armories were altered or expanded under the same funding arrangement.

OTHER NEW FACILITIES

A considerable amount of building from 100% Federal funds was also accomplished. Among such projects completed or in process since January, 1954, are motor vehicle storage buildings at Long Branch and Tuckerton, organizational maintenance shops at Teaneck, Toms River, Morristown, Atlantic City, and Vineland; and a large Ordnance Maintenance Shop in West Orange. At McGuire Air Force Base work is nearing completion on an Air National Guard installation which will cost nearly one and a half million dollars.