

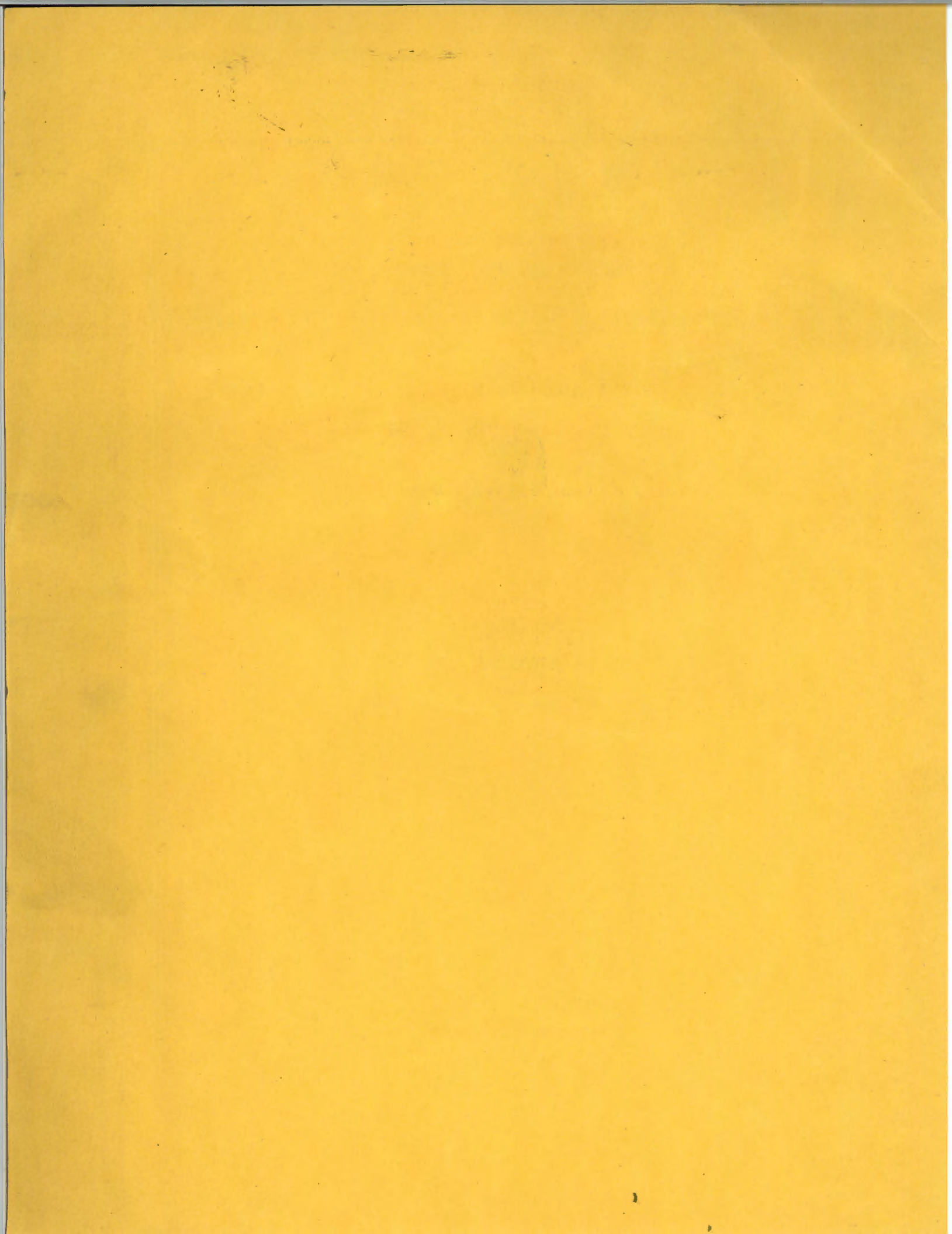
.901
C72.1
(1945)

B-1116
n.g.
1945

STATE OF NEW JERSEY
DEPARTMENT OF ECONOMIC DEVELOPMENT



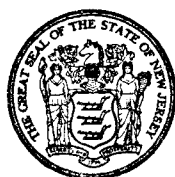
FIRST ANNUAL REPORT
JULY 1, 1944—JUNE 30, 1945



STATE OF NEW JERSEY
DEPARTMENT OF ECONOMIC DEVELOPMENT

FIRST ANNUAL REPORT
JULY 1, 1944—JUNE 30, 1945

CHARLES R. ERDMAN, JR., *Commissioner*



VU

TRENTON, NEW JERSEY
150 EAST STATE STREET

UN

TABLE OF CONTENTS

Letter of Transmittal	5
Division of Commerce and Municipal Aid	7
Division of Planning and Engineering	15
Division of Veterans' Services	29

STATE OF NEW JERSEY

WALTER E. EDGE, *Governor*

DEPARTMENT OF ECONOMIC DEVELOPMENT

CHARLES R. ERDMAN, JR., *Commissioner*

MEMBERS OF THE ECONOMIC COUNCIL

FRANKLIN D'OLIER, Newark, <i>Chairman</i>	JAMES KERNEY, JR., Trenton, <i>Secretary</i>
JOSEPH ALTMAN, Atlantic City	THOMAS R. JONES, Montclair
CHARLES H. CANE, Rosemont	CORNELIUS L. KORT, Hawthorne
LESTER COLLINS, Moorestown	MRS. CHARLES MADDOCK, Trenton
CHARLES EDISON, West Orange	ROSCOE P. McCLAVE, Hackensack
FREDERICK H. EHRLICH, Newark	WILLIAM G. MCKINLEY, Jersey City

*To the Governor and Members of the Legislature
of the State of New Jersey:*

The Department of Economic Development came into being July 1, 1944, as part of your programs of administrative reorganization, post-war plans for our returning veterans and the general economic development of the State.

The new department absorbed the respective functions, powers and duties of seven pre-existing State agencies; namely, the State Planning Board, State Housing Authority, New Jersey Council, South Jersey Transit Commission, Port Raritan District Commission, the State Service Office of the Adjutant-General's Department and the Municipal Aid Administration. In addition your new programs designed to assist our returning veterans and to aid in the general economic development of the State gave it new functions not previously administered by any of these agencies.

These new functions of the State Government include the administration of the Veterans' Guaranteed Loan Fund, the voluntary plan of veteran's preference in private employment, the co-ordination of all services and information for the benefit of war veterans and their dependents, the allotment of State financial assistance to the counties, municipalities and school districts for the preparation of plans for needed post-war public improvements, the preparation of programs to promote the natural and economic resources of the State, and the development of technical services and information useful to small business units.

The legislation creating the new department transferred to it the appropriations of all the agencies consolidated and in addition appropriated the sum of \$150,000 to provide for the administration of the newly established functions. The total of these appropriations was \$443,812 and the total expenditures for the fiscal year covered by this report were \$343,717* representing a saving of approximately \$100,000.

The administrative reorganization and consolidation of State departments was designed to provide greater efficiency and economy in State Government. These objectives have been achieved. During the fiscal year 1943-44 the agencies consolidated within the new department expended \$310,111 whereas these same continuing functions were administered for \$284,022 during the year just closed. The new and expanded program of Veterans' Services, including the administration of the Veterans' Guarantee Loan Fund, required the expenditure of \$45,347 in addition to the \$14,348 previously appropriated to the Adjutant-General's Office for State service work.

The consolidation of seven State departments and agencies within the framework of a single department has also made it possible to achieve greater efficiency in the use of personnel. For example, new functions, such as the administration of the \$500,000 pro-

* As of July 31, 1945, Outstanding commitments will raise this figure several thousand dollars and lower the net savings accordingly.

gram of aid to local governments for the preparation of plans for post-war improvements has been handled in part by personnel of the former State Housing Authority during a period when activity in the housing field was necessarily at a minimum.

The functions which you have assigned to this Department are being carried out by its three major divisions; namely, Commerce and Municipal Aid, Planning and Engineering, and Veterans' Services. The activities of these divisions during their first year of operation are given in the body of this first annual report.

The members of the Economic Council have contributed generously to the successful establishment of the new department through their advice and direction. I take this opportunity of thanking them for their voluntary contribution of time and thought to the economic problems of New Jersey and to you for the selection and approval of such an outstanding group of public-spirited citizens.

Respectfully submitted,

CHARLES R. ERDMAN, JR., *Commissioner*
Department of Economic Development.

DIVISION OF COMMERCE AND MUNICIPAL AID

INTRODUCTION

During the last two decades public welfare in the United States has become a tremendous undertaking affecting a large proportion of our population directly as recipients and, of course, all of us as taxpayers. New Jersey has not only kept pace with progressive contemporary trends in public welfare, but is considered to be among those states which are in the forefront in organization and administration.

Public assistance has been granted for many years, and in some instances for decades, to select groups of our needy. The aged, dependent children, the blind, epileptic, tuberculous and others are under public care either in their homes or institutions. There are thousands of other "needy persons," however, who do not meet the technical or legal requirements of any of the special programs, and this report concerns this residual group, known as "General" Public Assistance cases.

The Public (General) Assistance Program in New Jersey is administered by municipal Departments of Welfare with supervision by the State Department of Economic Development's Division of Commerce and Municipal Aid, through its Municipal Service Bureau.

The underlying philosophy of responsibility in cases of need rests on the individual, the family, the community and the several levels of government. All public services, including the field of public welfare, have a common source, the will of the people, and are stimulated and directed by the pressure of public opinion which finds expression in legislative acts.

In New Jersey, Chapter 130, P. L. 1940 is the legal instrument which embodies the social concept for meeting the care of those in need and establishes the necessary functions for its practical fulfillment.

Fundamentally, the law provides that the administration of "General" Public Assistance is a municipal responsibility. Objectively, together with certain related laws, it provides that the State share this responsibility; first, financially; second, by promulgation of standards and regulations; and third, by supervision of local welfare units, all within a flexible system designed to give the best service to the "needy" which is consistent with the interests of the taxpayer.

Prior to the war a huge proportion of the "General" Assistance cases were the unemployed and their dependents; such aid was commonly referred to as "emergency relief." At all times the load included what may be considered the hard core of the public aid rolls. This segment, composed of the aged, chronically ill and physically or mentally incapacitated, was to a large measure unaffected by the economic benefits of improved employment

conditions. They remained constant beneficiaries of municipal public aid except through individual rehabilitation, institutionalization, acceptance by one of the categorical agencies, or termination by death. Added to this group were those persons requiring aid for a limited period due to illness, accident, insufficient income, desertion, non-support and similar causes.

In the early part of 1944, by virtue of a legislative amendment to the Old Age Assistance Act (Chapter 164, P. L. 1943), it was possible to transfer some 1,400 "alien" cases from the municipal assistance rolls to the county welfare boards for receipt of old age assistance. The amendment which was sponsored and supported by the then existing Municipal Aid Administration removed the former provision that a person must be a citizen of the United States to be eligible for old age assistance.

The grants for care rendered by the State categorical agencies (with the exception of General Assistance) are shared by the Federal Government through the Social Security program. In effect, therefore, these transferrals occasioned a shift of financial responsibility to the Federal government exceeding an estimated \$200,000 annually, and a good proportion of this sum is reflected in reduced local tax requirements.

For several months after this transferral a gradual downward trend continued in the numbers granted aid locally, and now it is generally recognized that "rock bottom" has been reached and no major decline can be reasonably anticipated. This "rock bottom" figure of 5,000 cases in June representing 8,000 persons, has fluctuated only slightly from month to month since September, 1944.

RELIEF COSTS

New Jersey is now in the fifth year of the welfare policy adopted by the Legislature in June, 1940. Tremendous reductions have been made in the overall costs during these years of municipal administration with State financial aid and State supervision. Most of this decline must, of course, be attributed to the war demands for employment and to legislative changes of administrative and financial responsibility. However, the efficient, conscientious and industrious efforts of local and State personnel may not be overlooked in evaluating these results, which were accelerated by rehabilitation measures, good social case work and economic planning for individuals and families. Increases in standard allowances for food, clothing, fuel and similar items consistent with price increments preclude reductions in grants or expenditures which would be comparable to the downward trend in the numbers aided.

A summary statement of costs past and prospective follows:

<i>Total Relief Costs</i>		<i>State Aid to Municipalities</i>	
1940	\$13,900,000	1940	\$11,360,000
1941	8,550,000	1941	4,050,000
1942	5,415,000	1942	2,350,000
1943	3,219,000	1943	1,100,000
1944	2,204,000	1944	821,000
1945*	2,000,000	1945*	760,000

* Estimated.

STATE AID

Financial grants to municipalities by the State serve the dual function of offering an inducement to local governments to maintain adequate assistance standards and of guaranteeing that the cost of such aid will not be out of proportion to the local taxpayer's ability to pay.

Any municipality may apply for State aid for the purposes of relief before July 1 of each year. The percentage of reimbursement granted ranges from 40% to 60% of the current year's cost, and is proportionate to relief loads as measured in tax rates. This is regulated by a legislative formula based on the sound premise of the relative ability of the various municipalities to finance their local relief. (See: Ch. 28, P. L. 1941. Amended Ch. 162, P. L. 1944. (R. S. 44:8-98).)

In addition to State aid under the formula, the State assumes 80% of the cost of assistance for cases which lack legal State residence, provided proper referrals are made to the State Department permitting prompt adjustment of such problems.

SPECIAL PROGRAMS

Commodity Distribution

Commodities purchased by the Federal War Food Administration to maintain price levels and absorb surpluses are turned over to the State for distribution to State, county and municipal institutions: Old Age Assistance, State Board of Children's Guardians, Blind and General Assistance cases, school lunch programs and hospitals. During the year 1944 the value of such commodities distributed in New Jersey totaled \$1,103,720 and the value for the first six months of 1945 approximated \$787,700. A portion of these commodities were purchased by the War Food Administration from New Jersey farmers.

Rehabilitation of Rejected Draftees

A State program to provide physical rehabilitation in the form of medical or surgical service to men rejected for military service was terminated June 30, 1944, when legislation providing funds for this purpose became inoperative. Inaugurated in the latter part of 1942 in co-operation with the New Jersey Rehabilitation Commission and Municipal Directors of Welfare, the program was promoted so that such rejectees could qualify for enlistment or induction. Thousands of cases were reviewed and some seven hundred individuals were rehabilitated, most of whom assumed personal financial responsibility for the remedial surgical services.

The Legislature made two separate appropriations of \$25,000 each for this purpose and commitments against these monies totaled \$16,203.15 for 154 persons, many of whom executed agreements to reimburse, making repayments which substantially reduced the outlay of public funds. A sample survey of persons aided by the State revealed that 90% of those checked were accepted for military service subsequent to rehabilitative aid.

BROADENED WELFARE PROGRAM

"Direct Relief" currently represents something less than one-quarter of all local welfare services. Municipal Welfare Offices are engaged in a multiplicity of activities which affect all of the citizens of the community. During the war such services have been expanded to include Civilian War Assistance, Selective Service Investigation, Rationing, Rehabilitation of Rejected Draftees, Manpower Aids, Child Care Centers, Victory Gardens, co-operative arrangements with Army Relief, Red Cross, Office of Dependency Benefits, and other wartime agencies. In addition, a great deal of administrative time has been consumed by various social problems such as rehabilitation, delinquency, desertions, commitments and general family case work.

Sound public policy dictates that the Welfare Department shall fulfill the demands its very name implies, for public welfare is as essential to the community as any other department of local government. Its job cannot be measured by cases and costs alone.

PROSPECTIVE

Unemployment

There are many factors which portend a favorable business, industrial and employment economy during the period of reconversion from war to peace. Pent up demands for civilian goods and services; construction and housing needs; accumulated consumer purchasing power; short inventories; unemployment compensation; social security benefits and public works programs are some of these outstanding factors. Nevertheless, a cut back of 40% in war production coincident with the demobilization of 20% of the armed forces may produce more than 100,000 unemployed in New Jersey, notwithstanding an estimated 50% increase in civilian production, allowances for the reduction in the average work week of three hours and recognizing the voluntary withdrawals of persons now working only because of patriotic reasons. This will not be a serious unemployment situation and really mild compared with prewar years; it will mainly involve the changing of jobs and is likely to be most pronounced in specific areas where war plants, aircraft factories or shipbuilding have sustained huge payrolls.

It is obvious, however, that we must anticipate some upward trend of public assistance rolls. How soon this will occur, how long it will endure, and to what extent or degree it will develop is not easily determined. Currently less than 100 cases are aided monthly which may be classified as employables, and it is inevitable that the trend must proceed only in one direction—upwards. Not all of those cases terminated from the rolls in past years are in covered employment; all could not accumulate savings, many are unskilled, aged, lack varied experience or training, are inept or industrial misfits and, therefore, are not likely to be reabsorbed immediately in civilian production. To eliminate some of the guess work in this connection an economic survey will be conducted by the Department's Division of Commerce and Municipal Aid which may provide enlightening information affecting the need for public assistance in the future along with other socio-economic information. This project is explained in detail in another section of this report (see page 12).

Chronically Ill

Approximately three quarters of the current public assistance cases are classified as "long term dependents." The predominant and underlying cause of long term dependency, aside from old age, is chronic illness associated with physical and mental disability. This situation has more than a normal affect on the day-to-day problems of the local administrations, and is accentuated by the lack of general and specific institutional facilities for the care of the chronically ill. A State-wide health study embracing general hospitals, convalescent and medical services appears to be a matter for early action. In any such study consideration should be given the need for legislation or post-war planning with special attention to the establishment of public welfare convalescent homes, a cancer hospital, a home for terminal cancer cases, and a cardiac (rheumatic fever) preventorium.

Legislation

Chapter 130, P. L. 1940, suggests a consolidation of the offices of Overseer of the Poor and Director of Welfare, but does not require it. In consequence there has existed a duplication of local administrative salaries and services for assistance programs in some municipalities in the State. The 1940 act provides for the granting of assistance by a Director of Welfare and was enacted subsequent to the so-called 1924 Poor Law which provided for the granting of relief by an Overseer. So far as the two laws are inconsistent the latter takes precedence, but innumerable incidents have arisen which indicate that duplication or conflict exists in the areas of local welfare authority and responsibility.

In a majority of New Jersey municipalities the two offices have already been consolidated and authority vested in a single person. It is, therefore, recommended as a first step that legislation be enacted which will in effect legalize and "freeze" these voluntary consolidations by prohibiting the appointment of a separate Overseer in all municipalities wherein a single person has already been or may be appointed to both offices.

ECONOMIC RESEARCH

Introduction

Science, industry, and business have used "research" as a tool for planning and developing activities, programs, policies and management or administration. While government agencies have been turning to this implement for improving their functions more and more in recent years we still have far to go. One of the major objectives of the Department through its Division of Commerce is to collect, prepare and centralize statistics and research of practical and social significance to New Jersey. This has not been done by any State agency heretofore. To increase employment opportunities, provide information to small business and encourage free enterprise such research material will be disseminated by the Department through the press, pamphlets and other media which will prove most beneficial to the State economy.

Review of New Jersey Business

The Department's Division of Commerce and Municipal Aid in co-operation with the Bureau of Business and Economic Research of Rutgers University released the first issue of a quarterly publication during April, 1945, titled "Review of New Jersey Business." This publication contains information and time chart studies depicting State economic trends for factory employment, bank debits, electric energy consumption, unemployment compensation, public assistance, consumer prices, department store sales, average weekly earnings, construction permits, business failures, electric users, etc. Data will be published in coming issues dealing with employment, trade and commerce, business activity, consumer purchasing power, natural resources, industrial programs, business legislation, and special articles dealing with the economy of the State.

Economic Planning Survey

A survey has recently been initiated to secure first-hand information which will be useful in economic planning. It is planned to query more than 10,000 individuals throughout the State, by interrogators who will obtain answers to a series of questions which will include data respecting employment, income earnings, savings, unemployment compensation coverage, consumer needs, consumer purchasing power, job training, and various other subject information useful in projecting estimates for post-war years.

Natural Resources

The Department is co-operating with the Rutgers University Research Council in the sponsorship of a Sand Research Project. The major purpose of this is to evaluate the nature and extent of New Jersey's sand deposits and beneficiation processes for glass manufacture. Preliminary reports indicate the possibility of obtaining valuable by-products from such sand deposits. For example, one by-product mentioned is rutile, now valued at \$238.00 per ton, and another, ilmenite, valued at \$60.00 per ton. Subsequent research activities will determine whether such processing for these by-products is practicable for commercial development.

Expansion of this research project dealing with the non-metallic mineral resources of New Jersey may include clays, shales, limestones, slate and miscellaneous resources. These possibilities will be given consideration in the future plans of the Department.

Business Establishments

The Department also in co-operation with Rutgers University, is to survey retail and wholesale business establishments in New Jersey to determine whether there are deficiencies in any specific areas or types of business. This research data will be very useful in aiding veterans who wish to establish themselves in business under the provisions of the State Veterans Guaranteed Loan Act. This would take on the complexion of a "competitive index" broken down as to types of business and localities, as related to consumer demands.

PUBLICITY

The Bureau of Publicity and Information has prepared scripts for 47 radio broadcasts which have been presented regularly each Thursday evening since September, 1944, over Station WAAT in Newark. This program, presented under the title "This Is New Jersey," is transcribed and rebroadcast weekly over Stations WTTM in Trenton, WSNJ in Bridgeton and WFPG in Atlantic City, so that the State is covered thoroughly. It deals with all phases of New Jersey's history, industry, government and activities of every nature. It is informative and educational and it has been proposed that it be broadcast to the public schools next year as part of the school curriculum; such a possibility is being studied at the present time.

The Bureau also presents a second weekly radio program over Station WAAT, in co-operation with the Department of Economic Development's Division of Veterans' Services, and the leading veterans organizations throughout the State. This program, "Breakfast With Veterans" is conducted by a moderator and a "panel" of three or four experts, who supply answers to problems and queries submitted by veterans and their families. After each broadcast, the questions and answers are used as the basis of a "Veterans Column" which is mailed weekly to more than 80 newspapers throughout the State which have requested this service and use the material regularly.

The Bureau has assisted with the preparation and editing of "The New Jersey Review of Business" and with a large number of miscellaneous pamphlets, special articles, bulletins and reports issued by the Department to the general public.

NEW JERSEY COUNCIL

On July 1 the New Jersey Council completed its first year as a unit of the Department of Economic Development and the seventh since the program was inaugurated in 1938.

The objectives of the New Jersey Council are the promotion of the wealth-producing resources of the State in order to provide employment, and to insure a return on investments in New Jersey property, industry and commerce. The Legislature has provided \$100,000 for the fiscal year beginning July 1, 1945, double the amount available during the past year. This will permit considerable expansion of the program.

The twelve-month period ending June 30, 1945, represented a critical period in the economic life of the State. Geared to peak war production, New Jersey industries found themselves restricted in their efforts directed toward reconversion. Fortunately, however, much of New Jersey's industrial activity under war contracts was patterned closely after normal peacetime operations, and for that reason conversion will not mean numerous radical adjustments. This advantage, in addition to the wide diversification characteristic of New Jersey industry, promises a minimum of disturbance during the readjustment period for both industry and labor.

The curtailment of the four principal advertising projects and the resultant saving of funds made possible the several surveys conducted for the New Jersey Council by Fact Finders Associates, Inc., to determine the public attitude toward New Jersey's resorts, farm products, employment opportunities and preference for living in New Jersey. Executives of industries which had located in the State during the past ten years also were inter-

viewed to ascertain their opinions of the general conditions confronting them in New Jersey. These appraisals, as determined by a total of over 4,200 personal interviews in all parts of the State, proved worth while and present a number of suggestions for future advertising and promotion in the fields of recreation, agricultural products, industrial development and residential real estate.

The advantages of New Jersey as a place to live, play and do business were advertised extensively in the newspapers and by radio during the year. 21,500 copies of the booklet "New Jersey for Better Living" were distributed. The Council sponsored the organization of the New Jersey Resort Association, a medium for promoting the recreation industry in the State. Plans for an organization of directors of boys and girls summer camps also were laid. The fourth annual Governor's Fishing Tournament was another Council project.

Close co-operation with New Jersey's farmers was continued, and special promotional projects were undertaken with the Blueberry Cooperative Association, the New Jersey Field Crop Improvement Association, the New Jersey Peach Industry Committee and the New Jersey Fruit Cooperative Association. As new projects, New Jersey pure-bred dairy cattle were advertised in co-operation with the Jersey Cattle Club of New Jersey and the New Jersey Guernsey Breeders Association.

The newly formed New Jersey Folklore Society was another project sponsored by the Council in order to foster a wider knowledge of State history. To the same end a special edition of the new booklet "Know New Jersey" is being prepared for all State, county and municipal employees.

A survey conducted by Fact Finders Associates, Inc. for the Council to secure citizens' opinions of New Jersey's facilities, opportunities and resources disclosed that family incomes in the Garden State are unusually high, and produced much other valuable and encouraging information about the post-war plans of our residents. Another survey which was conducted to ascertain the consumer attitudes of housewives towards New Jersey farm products produced instructive material for use in future promotional work.

Interest in New Jersey is very active as a location for the manufacture of consumer goods to supply the Atlantic Seaboard. The number and quality of inquiries being received on plant sites indicate that there will be a substantial industrial building program in the near future. Further, with a relaxation of restrictions on building all signs point to a healthy period of winter and summer home construction.

The Council has available, and is maintaining, a list of present and potentially vacant industrial properties so that these plants may be brought to the attention of firms and individuals desiring to locate in New Jersey. All signs point to a bright economic future for New Jersey.

One of the outstanding features of the Council's work is the pleasant relationship it enjoys with other groups interested in promoting the interests of our State. Public officials, the utility companies, the railroads, local chambers of commerce, the State Chamber of Commerce, trade associations, real estate agents, the press and radio, county and local development commissions, agricultural commodity associations, these and many others have given the Council whole-hearted and consistent co-operation in its task of making New Jersey a better place in which to live, to work and to play.

DIVISION OF PLANNING AND ENGINEERING

PUBLIC WORKS PROGRAM

The Legislature, by Chapter 85 of the Laws of 1944, creating the Department of Economic Development, made two appropriations available, one of \$500,000 for the preparation of local purpose plans and specifications, and one of \$50,000 for the preparation of State project plans and specifications. Both appropriations were made to encourage post-war public works reserve programs, but the manner of their distribution differs.

The Department may make allotments from the \$500,000 fund to any county, municipality or school district (political subdivisions) toward the cost of plans and specifications for local post-war public works or improvements. The act provides that the sums allotted shall not exceed one-half the actual cost of the plans and specifications, or 2% of the approved estimated construction cost, whichever is lower, and that the allotment shall be paid only upon proof of the completion of the plans and specifications, and of their cost.

With respect to the \$50,000 allotment, the law provides that the Commissioner, after consultation with interested State Department heads, and upon approval of the Economic Council, may order surveys made or plans and specifications prepared for any State or regional project or service. Obviously, the intent is that the Division of Planning and Engineering shall, after consultation, procure for the interested Department the plans and specifications agreed upon without cost to the Department.

The allocation of these funds was the subject of much thought and study. A comparison was made of the capital structure and borrowing capacity, population served, annual budgets and other data indicative of the financial standing and ability of the applicants. The result was an allocation of the fund in the following amounts: to counties, \$90,000; to municipalities, \$250,000; to school districts, \$160,000.

To insure that even the smallest municipalities might undertake a project, the sum of \$200 was set aside for each municipality of 4,000 population or less. This allowed each such municipality the planning of a \$10,000 project, and since there are 395 such municipalities in the State \$79,000 was appropriated to this group.

Since school districts and municipalities in all but fourteen cases comprise the same population groups, it was provided that allotments to one or the other might be waived so that either could have the advantage of the entire appropriation; a number of school districts and municipalities availed themselves of this provision. The school fund was prorated on the basis of the school census, that is, each school district was allotted that proportion of the fund which its school enrollment bore to the gross school enrollment for the State.

All subdivisions of the State were apprised of this program and invited to participate, and January 1, 1945, was fixed as the final date for the receipt of applications. This deadline was very generally adhered to.

Each municipality was notified of its allotment and advised that this was the initial allotment which, however, would be increased in proportion as municipalities and school districts decided not to apply. Of the 567 municipalities in New Jersey, 214 announced

their intention of filing applications. This enabled the Division to reallocate the fund and increase each grant considerably, as is illustrated by the allotments to the 395 municipalities with a population of 4,000 or less; originally fixed at \$200 per municipality, this was raised to \$312.48.

Grants to other municipalities also were increased in proportion, and all political subdivisions were advised of the new allocation of the \$500,000 appropriation. They were informed that these allotments might be treated as anticipated revenues, and were requested to make provision in their budgets for their own share of the cost of plans and specifications. To provide for contingencies, however, 3% of the appropriation was held in a reserve account. The wisdom of this reserve has been demonstrated by the fact that, since January 1, the Division has been enabled to include a number of municipalities and school districts in the program which were late with their applications. Of 554 school districts in the State 120 filed applications for 209 post-war projects.

Seventeen of the twenty-one counties applied for aid, and their allotments totalled \$87,299.96. The four counties which did not apply reported they had more plans and specifications prepared already than they could fulfill and were merely waiting for materials and the release of critical merchandise in order to commence their programs.

When all applications are in they should total at least 816. The detail of 767 of these applications as of May 15, as to the grant requested, total estimated cost of the contemplated improvements, man days of labor involved and the type of work to be undertaken, is shown by chart No. 1.

CHART NO. 1
NEW JERSEY DEPARTMENT OF ECONOMIC DEVELOPMENT
 Division of Planning and Engineering
POST-WAR PUBLIC WORKS BY TYPE

STATE OF NEW JERSEY		May 15, 1945			
Type of Project	No. of Project	Grant Requested	Total Cost	Man Days of Labor	Amount Approved
1 Highways, roads and streets	138	*159,981	*12,405,509	*692,306	*37,002
2 Bridges, viaducts and grade separations	35	79,469	3,804,620	223,907	*21,812
3 Water treatment plants, pumping stations, etc.	5	6,162	*311,000	*21,675	2,124
3b Water mains, wells, tanks, etc. ...	32	*37,678	2,166,593	*101,010	*8,803
4a Sewer treatment plants, etc.	39	*88,419	10,974,901	*241,370	*39,717
4b Sewer collection systems	136	*253,921	*21,011,310	*1,019,276	*49,272
5 Schools and other educational facilities	198	*581,931	*32,271,588	*1,252,762	*128,638
6 Hospitals and health facilities	4	20,700	1,310,000	51,315	5,370
7 Public buildings other than (5) and (6)	87	188,308	9,046,729	*272,682	*43,124
8a Recreational buildings	24	*60,913	3,155,855	*63,031	*3,809
8b Park landscaping, etc.	32	29,046	1,356,365	*136,382	*6,604
9a Miscellaneous structures	18	*23,698	*3,863,816	*80,628	*4,297
9b Other miscellaneous facilities	19	*32,137	*4,121,995	*209,725	*3,838
Total	767	*1,562,363	*105,800,281	*4,366,069	*354,410

* Figures incomplete.

The Division of Planning and Engineering has issued a complete report of this program to show gross applications in the four following categories: highways, including bridges, street improvements, etc.; buildings of all types, school and municipal; utilities, which include sewers, water, and their attendant structures; and landscaping. It shows the gross estimated cost of each project, the gross estimated man days of labor and the contemplated commencement date. This report was made primarily for the benefit of manufacturing industries in the State, so that they may estimate the need for materials and supplies, as well as the time of that need; it is also intended to be a record of the post-war public works reserve for New Jersey.

It should be noted that the \$500,000 appropriation has been allocated so as to produce a maximum of projects. On the basis of one-half the cost of plans or 2% of the estimated construction cost, the appropriation could not, obviously, have produced more than \$25,000,000 in public works. Instead of being made on the basis of 2%, therefore, the division was made on the basis of 6/10th of 1%, and while the amount is small in many individual instances, it has been fairly divided and generally accepted by the State's political subdivisions. If all the plans are carried out they will result in \$80,000,000 to \$85,000,000 of post-war projects, and it is believed that this program is the result of a sincere desire and, in most cases, of absolute need in the municipalities for the improvements contemplated.

It might be noted in passing that the Division is continually being importuned for information about possible State or Federal aid, on what is generally called the matching basis, to help in the actual construction of these post-war projects. Many municipalities have had to forego necessary and desirable public works and improvements during the war, and in numerous instances the savings in expenditures have been passed on to the property holders in the form of reduced budgets and the holding down, or even the lowering of the tax rate. As a result, many of the municipalities have not accumulated any reserve to meet these needs when material and labor become available. The Department believes that a pronouncement about State or Federal aid would greatly implement New Jersey's post-war program.

The foregoing comments deal with the political subdivisions of the State and the appropriation of \$500,000. The following brief report deals with the allotment of the \$50,000 appropriation for aid to State Agencies and Departments.

The full program of each State Department was called for, together with the engineering or architectural costs of the proposed projects. After setting aside a reserve for contingencies and projects which might be needed later, allotments were made as follows:

Department of Conservation and Development, for improvement of parking at Allaire State Park—\$2,375

Fish and Game Commission, for improvements at Turkey Swamp Tract and the Hamburg Tract—\$1,500

State Water Policy Commission, for flood control on the Elizabeth and Rahway Rivers, Union County—\$5,000

High Point Park, for a project of its selection—\$2,500
 State Highway Department, for development of buildings at Fernwood—\$5,000
 Department of Commerce and Navigation, for aid for a project at Manasquan—
 \$4,000
 Department of Institutions and Agencies, for a project to be selected by it—
 \$5,000
 Palisades Interstate Park Commission, for slope erosion control—\$1,500
 Department of Public Instruction, toward the designing and addition to the class-
 room building at State Teachers College at Trenton—\$2,000; and to construct a
 men's dormitory at Montclair—\$1,000
 South Jersey Port Commission, for plans and specifications for storage shed—\$500
 New Jersey Agricultural Experiment Station, for plans for miscellaneous build-
 ings—\$1,000; and a poultry farm laboratory—\$3,500
 Department of State Police, for the designing of a platoon building station—
 \$1,500. This work has been completed.
 Reserve—\$13,625
 Total—\$50,000.

PUBLIC WORKS RESERVE

In addition to the post-war Public Works Program, the Division is charged with the preparation and maintenance of "public works reserve," proposed projects of State, county, municipal and *ad hoc* agencies for public works and services, classified and arranged in order of priority. This public works reserve has divided itself naturally into three parts: (1) projects for which plans and specifications were fully completed on or before the establishment of this Department; (2) the post-war program discussed above; and (3) proposed future projects. It should be reported that *all* present contemplated public works are deemed of a post-war nature, and the permanent public works reserve will not come into being until the post-war projects are under way. Here again it is felt that the public works reserve will be of material aid to manufacturers and others who deal regularly with labor, materials and supplies.

Municipalities have filed information with the Division, in connection with projects for which plans and specifications were fully completed before July 1, 1944. This discloses three school districts with plans for \$130,000 of construction, and 8,833 man days of labor; and ninety-two municipalities have plans for construction costing \$3,240,127, and providing 666,239 man days of labor. The gross construction cost under this heading of \$3,370,127 is not included elsewhere in this report.

Various State Agencies have filed proposals for public works in every county of the State, for a total of \$403,816,011, as per charts Nos. 2, 3 and 4 on the three following pages.

**PUBLIC WORK PROJECTS SUBMITTED
BY STATE DEPARTMENTS
BY TYPE AND COUNTIES IN NEW JERSEY
FOR PRIORITY A AND B***

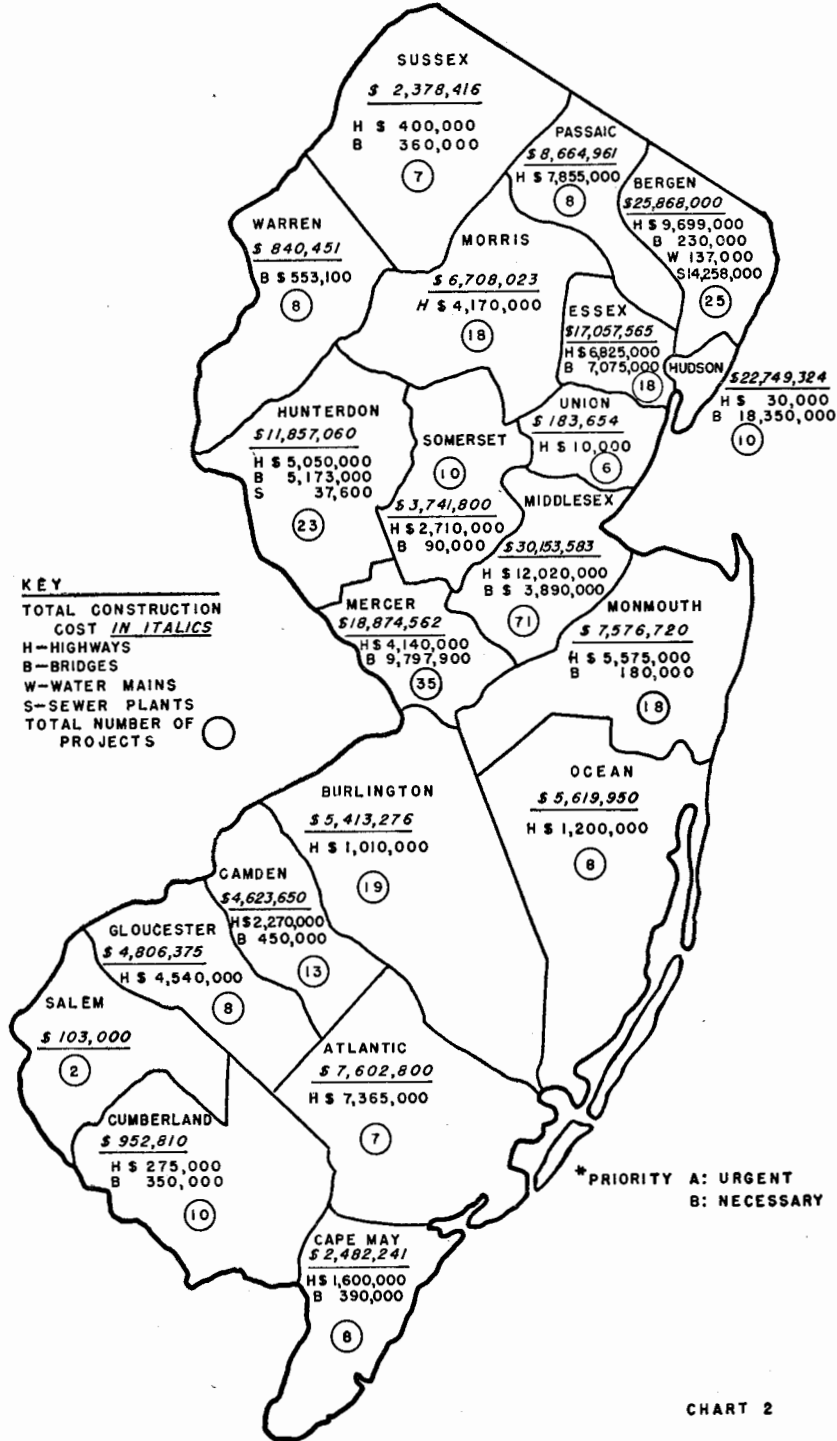


CHART 2

**PUBLIC WORK PROJECTS SUBMITTED
BY STATE DEPARTMENTS
BY TYPE AND COUNTIES IN NEW JERSEY
FOR PRIORITY A AND B***

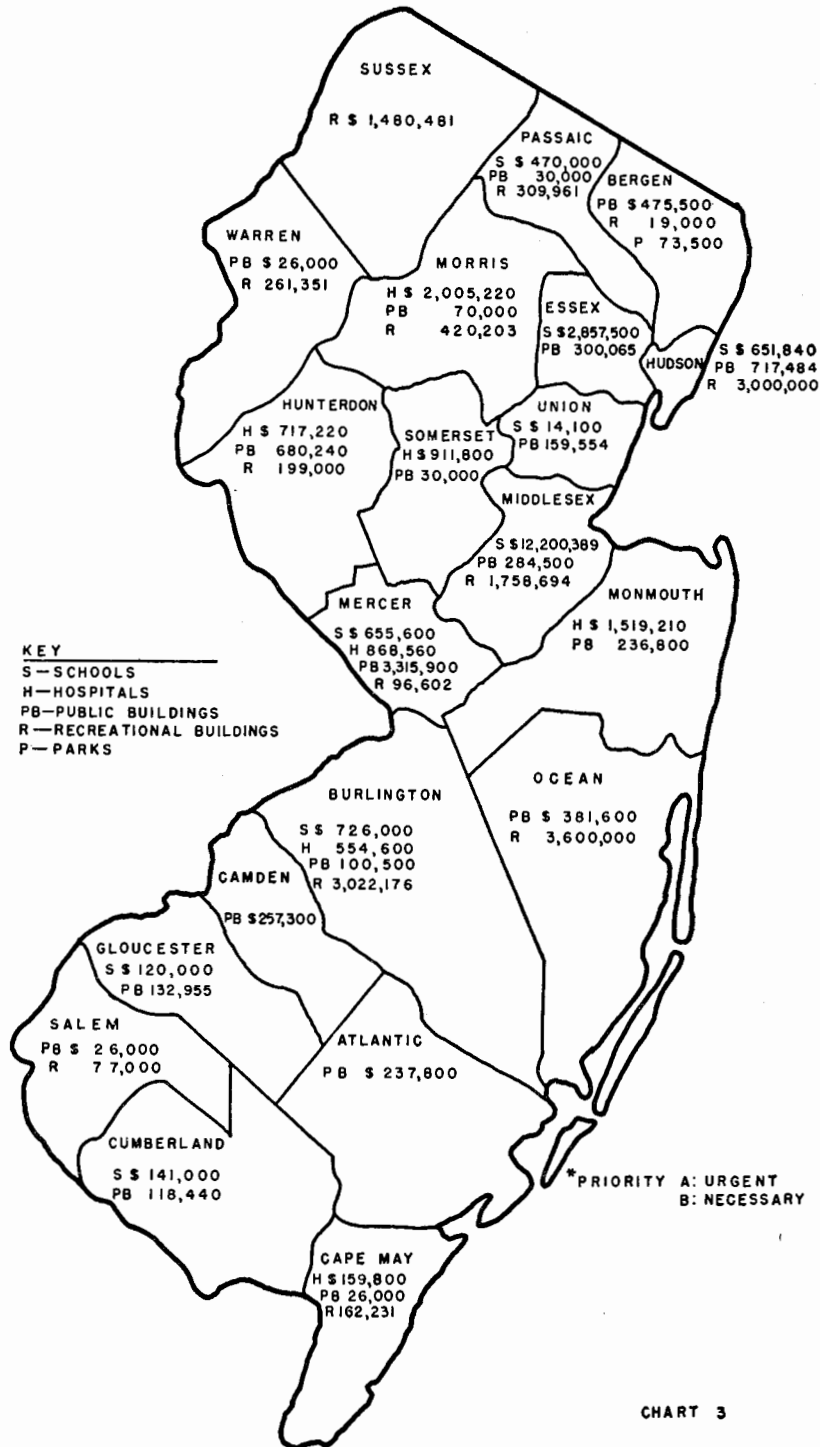


CHART 3

**PUBLIC WORK PROJECTS SUBMITTED
BY STATE DEPARTMENTS
BY TYPE AND COUNTIES IN NEW JERSEY
FOR PRIORITY A AND B***

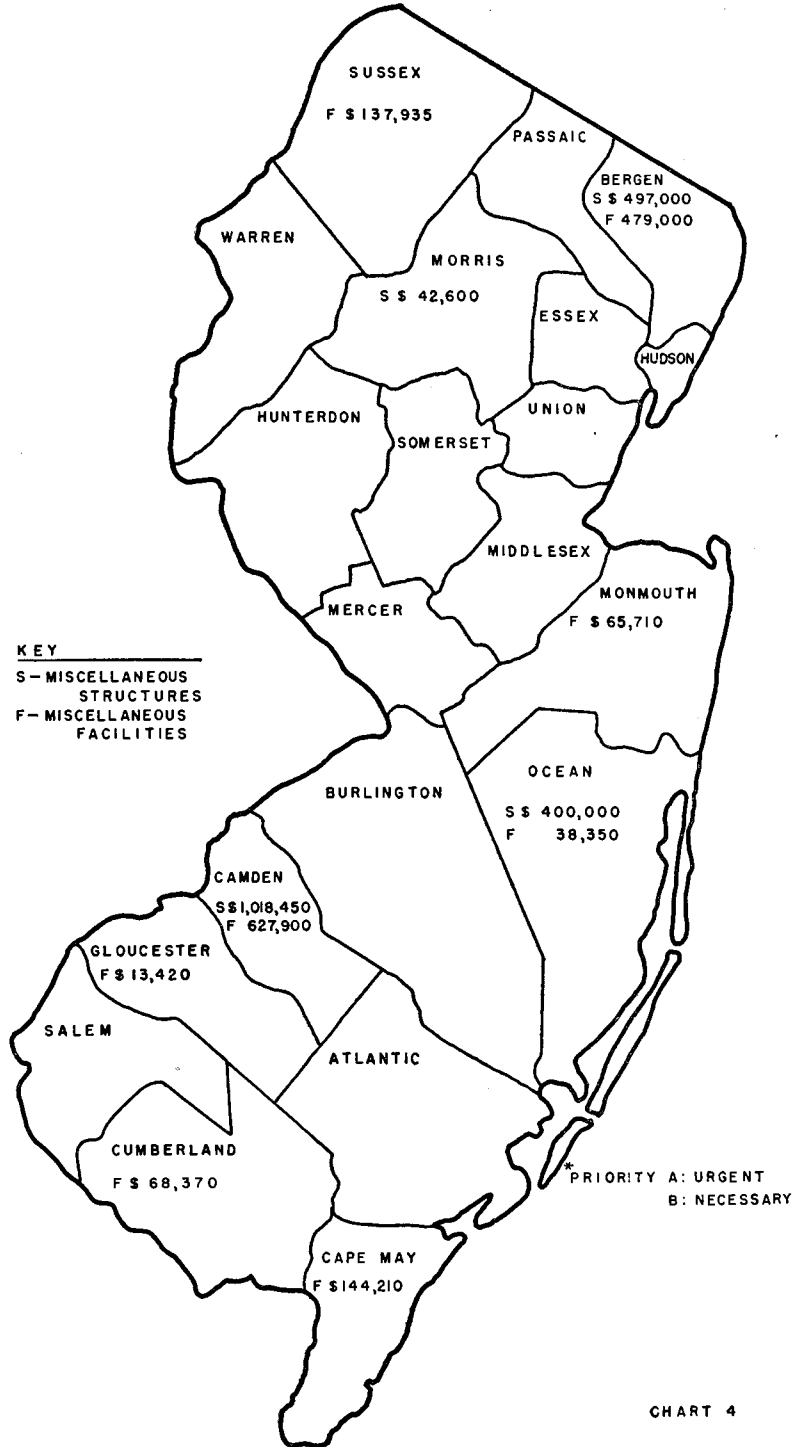


CHART 4

It will be noted that the gross public works program for school districts, municipalities and counties, and those of State Agencies adds up as follows:

Plans and Specifications prepared before July 1, 1944	\$3,370,127
Plans and Specifications of political subdivisions receiving State aid (approximately)	85,000,000
Plans of State Departments and Agencies	403,816,011
	<hr/>
Total	\$492,186,138

PLANNING

Paragraph 18 of Chapter 85, P. L. 1944 provides that the Department of Economic Development shall prepare and perfect from time to time a "State master plan" for the physical development of New Jersey, and prepare and keep current a long term development program of major State improvements. Planning, as understood by this Department, is the application, in the light of experience, of sound judgment to the appropriate and ultimate best use of the materials in hand, and contemplates such proposals for the future development of the State, as the mature wisdom of those experienced in matters of this kind can now project. While the foregoing definition may be somewhat inadequate, nevertheless some definition of a master plan for the physical development of the State obviously is necessary.

Review of State Projects

Paragraph 19 of Chapter 85, P. L. 1944 provides that "before entering upon any major public improvement or any project involving the acquisition of lands for public use or before requesting a change of use or disposition of real property owned by the State or in which the State has an interest," all State Departments, Agencies and instrumentalities "shall give written notice to the Commissioner (of the Department of Economic Development) of such contemplated or proposed action, and he shall have a reasonable opportunity to study and make recommendations thereon."

The object of paragraph 19 is to provide State Agencies and Departments with a central and impartial repository for their aims and objectives. The Department's duty is to see that the objectives of one Department are brought to the attention of other Departments and to assure as far as possible that State governmental operations shall add to each others' effectiveness in serving the public. The Department also is expected to make studies, co-operate with representatives of business, industry, agriculture, recreation, etc., and generally inform itself as to the most desirable future development of New Jersey as a place in which to do business and to live a healthy and pleasant life. This knowledge also is to be used in the consideration of projects submitted under the above paragraph. Thus it is directed to bring to the day-to-day operations of government, not only the co-ordination mentioned above, but a factual and intimate regard for the current and future needs and desires of the people of New Jersey.

The Master Plan

The principal implement used in the review of projects is a comprehensive master development plan. Obviously, it is impracticable to study each proposal as if it were a separate and unrelated operation. If the Division's Planning Bureau is to contribute to the specialized knowledge of the various operating Agencies, it must bring to bear on each project the results of a number of widely varied analyses and studies, but to do this separately and individually would be too great a task for any agency.

In order to make such a planning review practical, therefore, there has been evolved over the years a process called "master planning." The result of this process is a map, or series of maps, and reports covering all phases of the government's physical services which show what is needed currently, and future proposals considered necessary for the promotion of business, industry and agreeable living. Most proposals can be foreseen, so that instead of waiting until each project is presented, the planner develops a comprehensive or master plan showing all types of government service. This plan embodies the findings of all studies as they apply to each operation of government such as highways, parks, forests, waterways, etc. Thus when a particular project is submitted it can be quickly compared with the master plan. If it conforms, there can be reasonable assurance that it also conforms with the information which went to make up the plan; if not, it must be given particular consideration to determine whether the project should be made to conform with the plan or the plan changed in the light of some unforeseen condition. Variations from the plan are unusual, however, since the various Agencies co-operate in setting it up, and a preliminary draft is discussed by a committee composed of representatives of all affected. This means that the final plan represents the joint thinking of all concerned.

It would be a mistake, however, to assume that a master plan is a fixed inviolate frame into which the future development of the State somehow must be crammed. In the first place, such a plan is merely a general guide to assist the operating Agencies in the development of details. Secondly, there will necessarily be changes to conform with unforeseen variations in the basic information upon which the plan is built, and to take into account necessities which were either overlooked or could not be anticipated. In short, the plan is a tool, not a law demanding unvarying conformance.

At present the New Jersey State Plan is under development and the work so far completed does make it of considerable assistance to other Departments.

Local Planning

According to a survey recently completed by the Division of Planning and Engineering the status of local planning throughout the State is as follows:

There are:

- 118 official planning boards (created according to the State Enabling Act)
- 47 unofficial planning boards

68.6% of the State's population is served by municipal planning boards.

Of the people living in places having a population of:

2,500 — 5,000.....	33.7% have planning boards
10,000 — 25,000.....	57.0% have planning boards
25,000 — 50,000.....	79.3% have planning boards
over 50,000	97.0% have planning boards

Unfortunately, the existence of a planning board does not of itself insure that the citizens will receive a real planning service, such as that being developed at the State level. In many instances, the funds provided for the local board are not adequate for the accumulation of information and the preparation of a local master plan for the locality. Without adequate financing it is impossible for a local board to provide an adequate planning service, nor is it possible for this Division to co-operate fully with such a political subdivision in placing State services where they will promote community objectives.

The State is interested in giving all possible assistance to local planning, of course, but unquestionably the welfare of the citizens is much more directly promoted by local activities. On the other hand, the ability of this Department to provide useful planning service to other State Agencies and to the Governor and the Legislature is substantially increased by every local plan developed, for while the specific objectives and desires of each community cannot be determined at the State level, yet often they will be determining factors in the proper location of a State facility. Therefore, when a municipality or county has a plan showing its current conditions and what it hopes to do in the future, it is possible to eliminate State proposals which might reduce the effectiveness of local projects; by the same token it can be assured that local activities do not block necessary State development.

Special Studies

It is not expected that any master plan ever can anticipate every possible State operation or every request made for State participation; it will always be necessary to make special studies to determine the State's interest in a given proposal or perhaps to develop a general plan and program for a proposal. With a master plan as a background, however, it will be possible to reduce the amount of work on these special problems and to approach them with a broader point of view.

* * * * *

There follow brief reports on some of the matters which have engaged the attention of the Division of Planning and Engineering during the past year.

ISLAND BEACH PROPOSAL

Last January the Economic Council recommended to the Governor and the Legislature the acquisition of Island Beach as a State park and reservation. New Jersey has preserved no part of its 125 mile shore line for public recreation purposes, and Island Beach offers practically the last opportunity in this respect. It has been suggested from time to time that this area be purchased by the Federal Government as a national park or wild life sanctuary. It was the opinion of the Council, however, that New Jersey owed

itself the obligation of acquiring this property, and therefore recommended its purchase by the State. It is believed that the acquisition of this tract will pay large dividends in the years to come. Recreation and its attendant requirements is one of New Jersey's greatest assets. People probably make more careful provision for the enjoyment of their recreational periods than any other single phase of life, with the result that summer-ware and vacation supplies are in large demand, and these demands promote business. Primarily, however, the Council feels that failure to foster the recreational opportunities of our State would be very unwise, and that unless action is taken by the State there is danger of this last piece of virgin seashore being incorporated in some real estate development. The State should acquire and utilize this area while preserving the unique flora and fauna which makes Island Beach a botanical museum of priceless heritage.

PALISADES PARK HIGHWAY

At the request of the Palisades Interstate Park Commission, a survey was made of the need for a parkway running the length of Palisades Interstate Park, paralleling route 9-A. A visit was made to the area and a study made of the maps of the Park Commission, as well as those in the Planning Board, with the result that the Council made a recommendation that the parkway in question would provide a valuable adjunct to the park, as well as to the State highway system in that area. It is a pleasure to report that this recommendation was approved, and that provision has been made by the Legislature for planning this parkway.

RAPID TRANSIT FOR CAMDEN-SOUTH JERSEY AREA

The former South Jersey Transit Commission was incorporated in the Department of Economic Development. This led those interested in improved transportation facilities in that area to appeal to the Department for assistance. It is believed that much improvement might be made in the connection between the transit facilities which cross the Delaware River Bridge and those of the rail lines which operate out of Camden. The bridge line under Camden is under ground, while the rail lines depart from Camden above ground. So, twice daily, commuters are confronted with the difficult problem of transferring from one to the other of these services. Two hearings were given to those interested before a committee of the Council, which authorized an expenditure of Departmental funds for the purpose of surveying the possibilities of improving transportation in that area. Finally, a hearing was had before Governor Walter E. Edge, attended by members of groups from Camden, the Commissioner of the Department and the Director of this Division. The Governor endorsed the making of this survey, and arrangements for it are now being made with a firm of engineers of established reputation.

THE ARTHUR KILL

The former Port Raritan District Commission also was incorporated in the Department of Economic Development; this Commission was composed of citizens interested in the business and industrial area of the New Jersey side of the Arthur Kill. It appears that, in times past, the Government had deepened the Arthur Kill channel to a point 1,000 feet north of the mouth of Smith Creek, and to a point 1,000 feet south of Buck-

wheat Island, to a depth of 35 feet. The space between has a depth of only 30 feet, however, with the result that vessels of deeper draft cannot get into the docks of the industrial plants around Carteret. Studies of data for the area, acquired by the Port of New York Authority and others, have been made, with the result that, being convinced of the need for deepening and widening the Arthur Kill between these two points, this Division has petitioned members of Congress and the United States Senators for the State of New Jersey for their assistance and co-operation in having Congress adopt a measure to insure this work. Steps are now being taken which give hope that this much needed improvement will be made.

RAHWAY RIVER WIDENING

The citizens of Rahway feel that much good could be accomplished for their municipality if the Rahway River were deepened and widened to a point which leads almost to the center of the city. Maps, data and information have been collected and a study of this possibility is under way.

UNION TRUCK TERMINAL

For a long time it has been evident that a Union Truck Terminal for the distribution of merchandise in the North Jersey area is sorely needed. The Port of New York Authority now has proposed such a terminal. If constructed, over-the-road carriers could deposit their merchandise at the terminal, where it would be picked up by local operators and carried to the final points of destination. A study of this situation has convinced the Department that this would be in the interests of the industrial development of the State and endorsement of the project was made at a public hearing held last May in the Newark City Hall.

WOODBIDGE BOAT BASIN

The Town of Woodbridge owns a considerable tract of land at the junction of Smith Creek and Arthur Kill, which it has offered to donate for a boat basin. It is urged that the closeness of the particular tract to the Arthur Kill and open water makes this a logical location for such a basin; it is now used for this purpose by many residents in the area, and the proposal is that Smith Creek be deepened and widened to enlarge the capacity of the basin for moorings. It is suggested that such a basin, if built, would be self-supporting. State aid is desired in the original development of the area. In addition to building a boat basin, the fill could be used on the adjoining land to make an excellent recreation and parking area. This project is still under advisement.

BAYONNE SHIP AND RAIL TERMINAL

A committee of the Department of Economic Development, at his request, gave a hearing to Mr. J. Spencer Smith of the Department of Commerce and Navigation, who presented an appeal for a primary food market with rail and ship terminal facilities in New York Harbor on the Bayonne shore. It appears that there is a large strip of undeveloped low-lying land available for this purpose, and while no action was taken on the

request it is included in this report in order that it may receive public attention and consideration. There is little doubt about the value of this proposal, but as with many proposals, the difficulty arises over how it might be financed.

BRIGANTINE BEACH HIGHWAY

The Department has met on two occasions with citizens of Atlantic City and the Brigantine Beach area, regarding a highway from Tuckerton along the ocean shore line of Brigantine Beach and crossing over into Atlantic City, with the development of parking and recreation areas on that section of Brigantine Beach which adjoins the inlet separating it from Atlantic City. The building of a highway in this area was deemed to be largely a matter for the State Highway Department. The proponents of this improvement were reasonable and plausible in their arguments, but it was pointed out to them that a 9- or 10-mile ocean driveway in that area would require the construction of several bridges. Impetus was given to their request, however, when storms carried away part of the bridge from Atlantic City to Brigantine Beach. A bill was introduced in the last Legislature, calling upon the Highway Department to repair the bridge and improve the highway in this area, which it is believed will put an end to the possibility of this improvement being made, at least for the time being.

SAND AND SHALE SURVEY

In the interest of its land-use maps and its desire to create a satisfactory master plan for the State, this Division has been represented at conferences with Rutgers College, the State Chamber of Commerce and others, regarding a survey of sands and shales in the State of New Jersey. This project has been endorsed by the Department and provision made for financial assistance as mentioned on page 12 of this report.

HOUSING

Another important work of the Division of Planning and Engineering is housing, which includes slum housing, housing for persons of low income and housing for urban redevelopment and rehabilitation. Because of the lack of materials, the only housing program in New Jersey during the war has been under the priority system of the Federal Government, designated as "war housing." This housing has been spread out in sections of the State where the need appeared the greatest and has, to a marked degree, answered the demand, although never satisfying it completely.

The Division of Planning and Engineering can now report, however, that 15 local housing authorities have filed applications with the Federal Public Housing Authority for housing for low wage earners to be constructed immediately materials become available. The gross of these applications is \$85,692,873, and, if all were looked upon favorably by the Government and provisions made for them by Congress, 15,464 dwelling units would result.

Further, the Division is informed of negotiations between insurance companies and certain New Jersey municipalities, looking to the possibility of practical effect being given

to the urban redevelopment law, adopted by the Legislature last year and now known as Chapter 169 of the Laws of 1944.

This Division is organizing its staff in anticipation of the cessation of hostilities and relief in the materials market, so that it will be able to give maximum service to the housing authorities of the State in their proposed developments, and to the end that there will be no lag in residence construction once materials become available. In view of the great demand which has grown up for a satisfactory type of residence for the medium income group, and the certainty that a boom in this kind of building will take place before long, thought has also been given to the desirability of uniform minimum requirements throughout the State for sound and substantial buildings of this type.

MINIMUM BUILDING CODE

Examination has shown that only a small proportion of New Jersey communities have building codes and even fewer have building inspectors. It also is apparent that most of these codes are now 20 years old, if not older; municipalities seem loath to revamp their building codes, because of the necessity of advertising the entire code and the attendant expense. These facts, coupled with the certainty that speculative builders would go from town to town to build where there was least resistance, thereby creating houses below acceptable standards and houses which might shortly deteriorate and create blights and slum areas, made it apparent that a service could be rendered to New Jersey if a minimum building code were designed. This would be of such a nature that it could be generally accepted and adopted throughout the State as a standard for this type of construction. Such a code would protect both the municipalities and the purchasers.

Accordingly, a State-wide committee of substantial citizens in the building and housing field will be appointed for the purpose of developing a minimum code for one and two family dwellings. It is not intended that this code would supplement the code of any municipality, but rather be a minimum code for adoption by municipalities which have no code or whose codes are outmoded and out-dated, or to be used until such time as they may adopt codes of their own. The objective will be to draft a minimum code and not a maximum code, so that any municipality may add such other requirements as its particular situation and circumstances seem to warrant. It would be a code which should stabilize throughout the State, in the matters of safety, sanitation and standardization, the construction of one and two family dwellings.

Conferences have been held with the officers of local housing authorities throughout the State, and with members of planning boards, and whole-hearted assistance has been afforded the Division of Planning and Engineering by these groups.

DIVISION OF VETERANS' SERVICES

The Division of Veterans' Services is subdivided into three Bureaus: Service, Employment and Education, Loans, and a Research and Special Studies Section.

More than 8,000 veterans and their dependents have utilized the services of this Division during the first year of its existence, and approximately 4,200 claims have been filed.

New Jersey, in planning State services to assist the returning veteran to re-establish himself in civilian life proceeded on the assumption that the State will not compete with the Federal Government nor duplicate those services supplied by the Veterans Administration, but it has assumed the responsibility for seeing that any gaps in the Federal program are filled. New Jersey is also doing and will do everything possible to assist a veteran in establishing himself in his own business endeavor as well as to assist in providing employment for veterans, especially those who are handicapped, by prescribing a program whereby employers and labor organizations will voluntarily undertake to assimilate a definite quota of veterans beyond that required by Federal law. Further, New Jersey will give every possible aid to veterans desirous of obtaining further education.

THE BUREAU OF GENERAL SERVICES

This Bureau advises and assists veterans, men and women, and their dependents, residents of this State, in securing all Federal and State benefits to which they may be entitled; it administers the benefits provided by the blind veterans' pension law; administers the provisions of the law granting aid for the education of certain war orphans; and the provisions of the veterans' grave registration laws. It furnishes information and advice to veterans and their dependents and, whenever possible, assists in the solution of problems involving the necessities of life.

During the year, a Field Force has been organized, and area or district offices have been established in Lyons, Newark, Trenton, Camden, Elizabeth, Paterson and Jersey City. It is contemplated that additional offices will be opened in other sections of the State as the case load increases.

The efforts of these representatives are, in most part, devoted to the activities of the Bureau of General Services, but they also function in the field for the Bureau of Loans and the Bureau of Employment and Education. The function of the Lyons office is to process claims through the Regional Office of the U. S. Veterans Administration, to assist in the preparation and presentation of appeals and otherwise to follow claims through routine procedure to settlement.

The Bureau of General Services has assisted veterans and their dependents in filing their claims for any of the sixteen Federal benefits, ten State benefits and six county benefits (under State law) to which they may have been entitled, and there follows a typical example of the kind of service rendered:

Public Law 483, approved December 14, 1944, authorized so-called service pensions to certain widows and orphans of veterans of World War I. The Bureau instituted an immediate investigation in Washington, and learned that: (a) previously disallowed claims would not automatically be re-opened or reviewed; (b) a new claim would be required in each case before according consideration under the new law and, (c) that resulting awards would be authorized only from the time a new claim was received. A review of its thousands of files was instituted by the Bureau, dating back as far as 1928, and in the 1,061 cases wherein previous claims had been rejected, the rights of the dependents were immediately protected by the filing of informal claims with the Government; simultaneously, dependents were advised of this action, and furnished a formal claim for execution. As a result of this emergency action, the Division has secured awards of death pension benefits for scores of New Jersey widows and orphans, who otherwise might not have been assisted, or even been aware of these newly accrued rights.

BUREAU OF EMPLOYMENT AND EDUCATION

Chapter 85, P. L. 1944 establishes a State policy calling upon the Department of Economic Development to formulate "a program of voluntary commitments by employers throughout the State to participate in a plan of veterans' preference in private employment and re-employment."

The activities of the Employment Section of the Bureau, accordingly, have been concentrated primarily on organizing such a program, together with the classification of disabled veterans in occupations for which they would not be handicapped, and securing first preference for them in such occupations.

Conferences have been held with labor unions and personnel organizations, while personal calls have been made upon industrial firms for the purpose of learning in detail the methods by which the re-employment problem was to be attacked.

The establishment of a quota preference plan has been made difficult during the past year, because of feeling of uncertainty on the part of business and industry as to their post-war status and general business conditions during this period. Organized unions, moreover, have failed to make any definite pronouncement concerning their position on seniority rights as between the returning veteran and union employees, and there has been a feeling on the part of business—and in some instances an insistent demand—that the Selective Service Act should be amended and clarified on this issue.

The Federal Government, through the United States Employment Service, the War Manpower Commission and the Selective Service System has established job placement bureaus for veterans. Accordingly, the State does not propose to set up a separate system for the placement of veterans in jobs but rather wishes to expend its energies in seeing

that everything possible is done to provide jobs. We are interested in seeing that jobs are available rather than in establishing competing employment agencies.

The Educational Section of the Bureau began functioning November 20, 1944 and 211 veterans have received advice and counsel on educational programs through personal interviews, and assisted in filing rehabilitation forms for educational benefits under Public Law 16 and Public Law 346 (G. I. Bill).

The Section also has participated regularly in "Breakfast With Veterans," a weekly radio program presented by the Department of Economic Development, and broadcast every Tuesday morning over Station WAAT in Newark. The program has been in operation since February 13, 1945, and consists of questions and answers on veterans' problems.

Seminars and conferences for various types of groups, Legion service officers, Selective Service committees and Superintendents and Principals of Schools have provided information and instruction for those interested in serving the returned veteran. The Bureau of Employment and Research also has participated in seminar courses of five to ten meetings each for educational guidance counselors which have been held at Rutherford, Teaneck, Montclair, Elizabeth, Jersey City, Trenton, Camden, Long Branch, Atlantic City, Morristown and New Brunswick; these courses were sponsored and organized by the Division of Educational Guidance for Veterans, State Department of Public Instruction.

The Federal Government has established a comprehensive program of educational and vocational training benefits for our veterans. The Federal statute contemplates that educational counseling service will be available as an essential part of this program. While two guidance centers have been established with Federal funds—one at New Brunswick and one in Newark—there is need for trained educational counselors in every section of the State. Accordingly, the State, through its Department of Education, is assisting in this program by training members of school faculties in all communities to the end that adequate advice and counsel will be readily available to any veteran.

BUREAU OF LOANS (Veterans' Loan Authority)

The function of the Veterans' Loan Authority is to guarantee or insure a percentage of the unpaid balances of loans not in excess of \$3,000 which are made to New Jersey veterans by local banks.

The Bureau started functioning July 5, 1944, and to obtain the opinion of persons familiar with banking, and in order to establish procedures to be followed in guaranteeing loans to New Jersey veterans for the purpose of establishing themselves in farming, a business or profession, members of all the Clearing House Associations in the State and many representative bankers were consulted. Also in co-operation with the banks, business counselors have been appointed in all local communities to consult and advise with veterans concerning the securing of loans and the operation of the enterprises

these loans make possible. By January 1, 1945, 1,392 counselors had been approved and appointed by the Commissioner.

On September 5, 1944, the first loan was granted. On June 30, 1945, 578 applications had been received, totalling \$1,198,270, of which 460 were approved for a total of \$937,050. The value of loans disapproved for various reasons totalled \$187,920. The percentage of rejections has averaged about twenty per cent.

It is pleasant to be able to report that no veteran defaulted on his principal payments during 1944-45. There were two defaults on the payment of interest, but since there were extenuating circumstances, it is anticipated that in time both borrowers will have brought their payments up to date.

After operating six months under the provisions of Chapter 126, Laws of 1944, certain more or less inevitable flaws in the statute were found, but these have since been remedied by later legislation and it is believed that practically all points of difficulty have been eliminated.

The Chief of the Bureau of Loans and his Assistant have addressed all County Bankers' Associations in the State explaining the provisions of the basic law and amendments thereto. Visits also have been made to service organization meetings and to the separation center at Fort Dix where all New Jersey veterans will be discharged.

More than 200 small retail businesses have been established by these loans; 40 veterans have been set up in professions; 13 have gone into farming; motor transportation, service enterprises, farming, manufacturing, construction and selling are engaging the attention of considerably over a hundred others.

These State loans do not compete with the Federal loan program but rather supplement it and thereby illustrate our cardinal policy of co-ordinating and supplementing the work of the Federal Veterans Administration. For instance, the Federal loans are primarily designed for the purchase of property and require collateral whereas the State loan is used to supply the liquid capital with which to start an independent business and is made in most instances without collateral—the State guarantee of 90% of the face value of the loan being in effect the collateral.

RESEARCH AND SPECIAL STUDIES SECTION

This Section of the Division of Veterans' Services has already demonstrated its value in gathering information for legislative study and the collection of data necessary for tabulation of case reports.

It has reviewed and analyzed the Division of Veterans' Services with particular emphasis on the avoidance of overlapping between State and Federal agencies.

It has made a factual study of the veteran population of World War I and World War II, indicating the number of available beds in general medical hospitals in four adjoining States, and demonstrating the need for a general medical hospital in New Jersey.

The data in support of the need for a general medical hospital in New Jersey was used by Senator Albert E. Hawkes in a conference at Washington, D. C. between the American Legion Rehabilitation Committee and the New Jersey Congressional Delegation. The data was put to further use in a second conference between a Congressional Committee appointed by Senator Hawkes and the U. S. Veterans' Commission.

The Section has undertaken a comparative analysis of organic tables, laws, functions, and regulations of the several State governments in their relation to veterans' affairs; has made a compilation of State laws granting benefits, privileges, and rights to veterans and their dependents; and has prepared a pamphlet outlining the services rendered by the Division of Veterans' Services for distribution at conventions, and for the dissemination of general information relative to the work of the Division.

It is preparing for publication a veteran's handbook which will be a digest of all of the laws in the State of New Jersey insofar as they apply to veterans.

COMMUNITY SERVICE CENTERS

When a veteran returns he does not "return" to a Federal agency nor to a State agency but to his home community. Therefore, the community in which he lives must occupy a vital place in any co-ordinated program for our returning veterans.

There should be one information center in each community to which a returning service man or woman can go to receive an informed answer to any of his questions concerning jobs, educational benefits, claims, need for hospitalization or any of the dozens of questions he may have.

This does not, of course, mean that every community can or must be prepared to service a need for hospitalization, have a claims board or give the definitive treatment required. However, it does require a "service center" operated by intelligent and wide-awake individuals who will know exactly where to find "all the answers."

This is a real community responsibility and can only be adequately performed if the community initiates the service and feels a real interest in its successful operation. For that reason New Jersey has, to date, relied not upon Federal or State legislation commanding a community to do thus and so, but rather upon a policy of having the community itself initiate the service. The State has prepared a New Jersey Plan for these local service councils and centers, but each community is at liberty to adapt the suggested plan to its own local needs and community resources.

We believe this policy is working effectively and trust it will meet the rapidly growing needs. Should it prove inadequate it would be most unfortunate because a tremendous increase in Federal or State personnel would be required adequately to staff the many local centers required.







