

# FIRST ANNUAL MESSAGE

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*(Read in part by Gov. Byrne at the opening meeting of the 196th Legislature, Second Session, in the General Assembly Chamber Jan. 14, 1975.)*

1974 has been a year of achievement for New Jersey. Yet the achievements—in which we all take pride—are obscured by a shadow.

The shadow is cast by our failure thus far to provide a thorough and efficient education for all of our children, regardless of their economic, social or geographical situation.

Last year, I proposed a comprehensive plan for school finance and tax reforms. It found a measure of support. But it was not enough. The Legislature—in particular members of the Senate—suggested other answers. These, too, could not gain the necessary support. But I hope the debate has at least produced an understanding that we must come together to find an answer to our common problem.

Action to meet our obligation will not contribute to the political popularity of any of us. But to act will be less damaging than the spectacle of a government immobilized by fear of political consequence that it cannot do its moral and legal duty.

In my Inaugural Address, I recalled the words of Woodrow Wilson, who said: "If you think too much about being re-elected, it is very difficult to be worth re-electing."

Those words should be remembered as we seek to shape a responsive and responsible state government in this most critical year. Elected officials whose actions are dictated solely by a desire to perpetuate their political power demean the office they hold.

One year ago I stood before you and talked of our common goals for New Jersey. I spoke of a state government that would look to itself, to its own people, for participation and for accomplishment. I spoke of government that was honest and responsive. I spoke of government that would use the tools of public policy to cleanse and regenerate itself.

And together we have taken steps in all of those directions. Once the shadow of difficult decision is lifted from the State House, all of us can review those achievements with a clearer appreciation.

We have created a Department of the Public Advocate and given it a mandate to jar government from the complacency of the past that produced most of the inefficiency and injustice of the present. That department has begun its work—unprecedented anywhere in the country—of shaking up government from the inside and assuring justice to those outside.

Because this administration does not fear to examine its own shortcomings, the Public Advocate will continue to enforce standards of fairness and public scrutiny in the courts and in other public forums.

And in the area of criminal justice, a strong and independent Attorney General has pursued every avenue that appears to lead to wrongdoing, whether the wrongdoer is powerful or commonplace, whether he is political friend or adversary. Yet, we must assure that the unfounded accusation, generalized charge of criminality—the politically motivated reach for an exaggerated headline—does not masquerade as a search for justice.

One reason many of us are here today is public revulsion over official misconduct—conduct which had its origin in the financing of political campaigns. We promised action to reduce the private influence on political activity. We moved to meet that promise through enactment of public financing for gubernatorial campaigns. But that is not enough. This year we must finish the job by extending the program to cover primary elections. The cost to the taxpayer of public financing is small compared to the ultimate cost of private—and often hidden—contributions.

To further open the process of government, you established postcard registration. Tens of thousands of voters have enrolled under this statute—voters who without it might never have participated in the political process.

Only a few weeks ago, I signed into law a bill which gives a citizen the right to go into court to protect the environment. This was a significant measure that recognized the countervailing—and valid—interests of our economic and environmental forces. Any law which achieves that kind of balance is good law—a law that can be broadened and improved as it weathers the test of time.

Even before taking office, this administration was determined to provide open government. Toward that objective, the principal officers of the state government were required to make a full public disclosure of their financial interests. I think that few state governments—and certainly not the national government—have imposed as strong a requirement. The climate of public service in New Jersey is more open and more productive as a result.

### THE ECONOMY

Perhaps the central fact of governmental life this first year was the sharp drop in the national economy. It is a crisis which reaches from the complexities of international finance to the awful simplicity of a lost paycheck. Looking back, 1974 will be remembered as a year of startling economic decline, coupled with sharply rising prices.

Unemployment in New Jersey reached  $9\frac{1}{2}$  per cent. Business failures increase 41 per cent. Retail prices have

increased, while retail sales decreased. Interest costs for private and business borrowers, for home buyers, and for state and local governments are at an all-time high. For most New Jersey families, inflation outstripped income gains during 1974, and the trend is likely to continue in 1975. In fact, economists forecast a further drop of 3 per cent in New Jersey's real output of goods and services, with a corresponding reduction of 2 per cent in real personal income.

We must anticipate worsening economic conditions in 1975—although there is some hope that the current problem will "bottom out" and that we shall begin late in the year to start on the long road back.

Our economic distress is magnified by the growing demands for government services—income and medical assistance, unemployment insurance, and job retraining—in the face of diminished state revenues.

The decline in retail sales, corporate profits, automobile sales, and stock and security values have reduced the state's tax base. Our revenues for this year will fall short of projections. While there will be a growth in receipts it will be well below the rate of inflation, and well below last year's estimates.

Federal impoundment of funds which were earmarked for state and local governments, the continuation of high interest rates, and the failure of national leadership to develop a major economic recovery program have had a disproportionate impact on New Jersey. This deepens the problem.

While we recognize that we cannot alter the national economic picture by what we do in New Jersey, I believe we can alleviate its impact on the people of our state. That must be a test of our—yours and mine—ability to lead. Let us not measure our efforts by the number of new programs proclaimed. Instead, let the gauge be our ability to administer necessary programs economically; to provide more for less.

We must expand our capacity to evaluate the performance of state agencies. Critical evaluation by professionals independent of any department will increase efficiency and reduce costs. It should also expose to public scrutiny the deficiencies in state government and identify functions which can be abandoned.

The economic crisis has forced difficult choices upon us. The budget I submit next month will reflect these choices and will eliminate some desirable services and programs. I am insisting that every program, every expense, every position, be justified anew, whether it is being established for the first time or is carried forward from previous years. This approach would be important in the best of times, but it is imperative in the current crisis. It will continue in the future years of this administration. This zero-based budgeting approach is only one of a number of productivity-related management tools.

And we are going to look beyond state taxes and spending to other public bodies. It is not the policy of this administration to say, "This is a federal dollar or this is from an authority toll charge, or this dollar is spent at the local level and therefore it's none of our business whether it's spent efficiently." About half the State budget is returned to the municipalities and school districts. Therefore, it must be the State's business to scrutinize all of these dollars. I pledge to initiate a new and tough state scrutiny of such spending.

In this regard, I will appoint a citizens commission to study business and management practices of local school districts. The commission will compare the management of State aid in comparable districts and examine fiscal control and accountability procedures. It will recommend improvements in such practices.

I also am directing that a special unit be formed in the State Treasury Department to monitor the financial statements of the semi-autonomous authorities.

We also are taking measures to expand and modernize our scrutiny of local financial practices. I shall have more to say on this subject at a future date.

At the same time, we should explore ways to build upon the work already done to strengthen county government and perhaps to expand the counties' authority for service delivery.

At the State level, we believe that we have made progress toward more efficient governmental operations through new procedures for architect and engineer selection and through the competitive bidding of professional contracts wherever possible. These measures and other improved purchasing mechanisms, are designed to bring New Jersey to the forefront in governmental efficiency. As these practices prove out at the state level, we plan to extend them to local governments and school districts.

Although I will not address myself to next year's budget and its related problems until next month, I do believe this is an appropriate time to reaffirm that we will maintain the 1974-75 budget in balance without new taxes. I do not want to mislead you by this statement. Efforts to reduce current spending by putting off maintenance, minor capital improvements, and other expenditures, probably will add increased costs to later budgets. But these are steps which must be taken in the current emergency. They remind us, however, of the overriding necessity for thorough fiscal reform in this state. To maintain essential services, it is important that the Legislature enact new taxes now.

Our goal must be a system for planning and spending practices which makes sense for the long run. The Capital Needs Commission, headed by Donald MacNaughton, should help us to achieve such rational planning for the rest of the 1970's.

In another area, continuing controversy over the rights of public employees had sapped the vitality of government at all levels. After considerable debate—taking into account the strong views of public officials and public employees—we enacted a new public employment relations act. Certainly, this law will require modification as the need for changes is demonstrated by experience. But the foundation is established; this new law provides fair procedures for employers and employees alike. We have, too, established a study commission to complete the task by devising procedures to resolve bargaining impasses. Together, these measures will avoid needless inequity and dislocation of services in the future.

Last winter, necessity fostered another important step forward for state government. The gasoline shortage which struck New Jersey led to the establishment of a State Energy Office with emergency powers to deal with the energy crisis. All of us can take pride in the effectiveness of the early decisions of that Office, which did so much to help us weather the gasoline shortage. Since then, we have gone forward to deal with the problems of natural gas, the impact of national energy decisions on our state and our right to a fair share of the rewards of new fuel supplies off our shores.

When we took office, the beginnings of today's recession were quite apparent. The fact that New Jersey—as a northern industrial state—would suffer more than the national average was equally evident. As a result, we established the Economic Development Authority as an agency with the power, not merely to exhort investors to join us, but to promote the kind of business and industry that provides jobs. The Department of Labor and Industry has focused attention on implementing the mandate in this area and the initial results are beginning to appear in new plants and new jobs for our citizens.

A few weeks ago, I viewed the progress made during the last year in another job-producing public enterprise—whose usefulness is heightened in this time of increasing unemployment. The Sports Complex promises not only jobs for the present and future but added excitement, pleasure and recreation for our citizens.

### 1975 PROGRAM

The common practice in an Annual Message is to describe for each agency of the executive branch the legislative reforms sought for the next year. But 1975 is not the time for common practice. I intend to submit separately to you those bills necessary to the proper functioning of state government agencies.

But I come here today to urge action on our most immediate priorities. These priority areas will require legislative enactment; they will require executive management and implementation.

I intend to marshal the full talents of my Administration over the next twelve months toward these programs:

1. **Jobs and Economic Development**—to ease the burdens of inflation and recession on the people of New Jersey within the limits of our power and our resources.

2. **Resource Management, Growth and Cities**—to provide a rational system for deciding together the quality of life in our state, and to use our authority under the law to restore urban neighborhoods.

3. **Government Integrity and Law Enforcement**—to continue our efforts to build public confidence and curb the abuses of official misconduct.

4. **Reform of State Institutions**—to address comprehensively the plight of unfortunate persons who need state care and assure to the full extent of our capacity, their personal rights to effective treatment.

Progress in these areas does not mean new governmental bureaucracies or large expenditures. Government, like the individual family, must live within its means—and this state's resources are being diminished by the national economy. But while we discipline ourselves to a limited budget, we need more than ever to use the resources at our command to greatest benefit, and keep clearly in view the areas of greatest need and the persons who depend most on government for well-being and even survival.

### Jobs and Economic Development

When more than 300,000 persons in New Jersey are unemployed and the cost of living increases more than 12 percent a year, there should be little doubt about our responsibility as public officials. It is to relieve the burdens of a harsh economy, to do all in our power to provide jobs for our people, to use all the authority we have to develop the state's economy.

These are not problems of our own making. Economic forces and national policies combine to threaten the jobs and well-being of millions of Americans. New Jersey's unique position—industrially and geographically—deepens the impact of recession and energy crisis on our citizens. But to view the problem in terms of policy debate is to misunderstand its human consequence. For to be out of work in this society is to be without hope or identity. To be plagued by costs rising above income—for the elderly, the poor, or the small businessman, is to face real despair. So the reality of our limited capacity cannot lead us to abandon effort and look to Washington for help. That help is needed, and I intend to press for it in all branches of the federal government—executive, legislative and judicial. But we know the disappointment of that approach alone. We must make our first priority a program here in New Jersey with these goals:

- to promote economic development, business activity and jobs for New Jersey.
- to aid the unemployed.
- to continue efforts for a state energy program.
- to improve the consumer's position in the market place.

To promote jobs for New Jersey, I will formulate a State Economic Development Plan. Federal funds are available to help us chart a comprehensive effort to attract business to our State, building on the efforts made in 1974, including the Economic Development Authority Act and the transfer of funds to pay for an Office of Business Advocacy in the Department of Labor and Industry.

Part of this plan will be a revision of business taxation in the state. We have not sponsored a detailed study of this aspect of state taxes for many years. I will appoint a Special Task Force of distinguished citizens to review proposals to create jobs and attract business. I will submit legislation to revise business taxes in 1975 and provide greater incentives for business to locate in New Jersey.

But we cannot delay even a few weeks enactment of a program to promote jobs and economic development. I urge adoption of legislation to increase access to capital for New Jersey business, including the possibility of a State Reconstruction Finance Corporation; proposals to use pension funds to increase participation in federal small business loan programs; and a program of expansion for the Economic Development Authority which empowers it to increase its reach in guaranteeing loans and to issue pollution control bonds, an authority now limited to a few counties.

Jobs can be created, too, by a state program to revive the housing industry. I will ask the Legislature to take prompt action on these critical measures:

—Enactment of legislation that expands the Mortgage Finance Agency program. It would provide for the agency to purchase existing mortgages from lending institutions. This bill can add \$100,000,000 to the supply of mortgage funds in our state without any cost to the treasury;

—Expansion of the Housing Finance Agency so it can work with municipal officials and private industry to promote actively large scale development including residential, commercial and industrial facilities. This program could facilitate, for example, development of the Hudson River Waterfront in a way that builds the economy, provides jobs and improves recreational opportunity.

—Passage of the Uniform Construction Code so we can realize the savings estimated at \$2,000 per home from this overdue legislation.

Economic development is aided, too, by our program to quicken the response of the Department of Environmental Protection. Here, substantial progress has been made on the past year to improve permit procedures, but further effort is

needed. I have directed that the Department do whatever is required in 1975 to achieve the goal of processing all applications in 90 days.

A sound and efficient transportation system is also essential to economic development. Our review of the management practices and operating costs of highway authorities indicates room for considerable savings. And the building of a good public transit system in New Jersey requires a vehicle for state supervision of subsidized carriers and to take control of operations if federal rail policies or state bus operations make that necessary. Accordingly, I intend to propose legislation which will put the state in a position to increase efficiency on our toll roads and prepare for any eventuality necessary to expand mass transit by creating an agency to unify transportation activities.

To aid the unemployed, I am proposing an Emergency Employment Incentive Program, under which employers receive inducements to hire unemployed workers. Initial funding for such an incentive can come from the Unemployment Compensation Auxiliary Fund and the program can be tested by providing incentives first to hire jobless construction workers.

It is time, too, to conclude study and evaluation and provide legislative overhaul of the workmen's compensation system. The revised regulations promulgated in November begin the process, reforming hearing procedures and establishing caseload standards. By the end of February, I will submit to the Legislature proposals to complete the task by assuring injured workers maximum benefit in the least possible time. These proposals will also regulate the amounts of fees and costs to eliminate abuse. Action on these bills will be a significant conclusion to the long years of debate and study of workmen's compensation.

One of the most important tasks in 1975 is to improve our efforts to assess employment needs and increase mobility by aiding workers in relocating and retraining to avoid permanent pockets of unemployment.

### Energy

In 1974 we were able to respond quickly to the energy crisis. Now—with increasing shortages and an uncertain policy from Washington—it is important for us to continue and build upon our joint efforts. I will ask the Legislature to extend the emergency powers of the State Energy Office and transfer it to the Department of Public Utilities. It is important to proceed with the development of a Energy Master Plan for the State, including a broad program of conservation administered by the SEO and an energy information system.

The Cabinet Committee on Energy Policy will continue to coordinate the formulation of energy policy for this Administration. Through the Committee, we have undertaken efforts before the Federal Power Commission and in the

courts to assure New Jersey its fair share of petroleum and natural gas. With other states, we are pressing Congress and the national administration for energy policies which do not discriminate against New Jersey, and which assure safe and prudent development of energy reserves, including natural gas and oil on the outer continental shelf. I will expand these efforts in 1975 because it is vital that the federal government respects our need for energy and our concern for the economic and environmental consequences of policies in this area.

We have begun an exploration of state alternatives to respond to increasing capital costs of utility construction. That review will soon be completed, and I will seek whatever legislation is necessary to assure sufficient power in New Jersey.

The importance of a state program for solid waste recovery is increasingly clear. There has been much debate about resource management in New Jersey and little action. I urge enactment in 1975 of legislation to test the effectiveness of recovery techniques and require solid waste management planning in critical areas of the state.

### Consumers

The burdens of inflation fall unevenly on citizens of our State. For those most in need, State government has an obligation to review the impact of its policies and laws on the level of prices and the cost to consumers of necessities for daily living.

No group suffers more than senior citizens, forced to live on fixed incomes and pay escalating costs for food, health care, fuel and housing. To aid the elderly cope with this economy, I formed a special Task Force which coordinates emergency services for the elderly poor, particularly food, fuel, transportation and health care. While our budget is limited, I am determined to explore ways, including legislation when necessary, to reduce the costs of food, fuel, transportation and utilities. This program should claim the highest priority. Further, I urge legislation to protect the elderly against termination of health insurance, utility services or fuel delivery.

I believe it is time for legislative review in several areas where our laws hold prices at artificially high levels:

- \* Study fair trade agreements and minimum price regulations for milk and cigarettes.
- \* Prohibition of advertising such as by medical labs or opticians and requirements that prices be posted for common prescription drugs.
- \* Reforms of Medicaid and Medicare abuses which increases costs to the taxpayer or recipient, and implementation of reforms in hospital cost review process now underway in the Departments of Health and Insurance.

- \* Legislation to protect home buyers and reduce costs involved in buying a home.
- \* Expand use of civil remedies to recover monies lost through official misconduct.
- \* Improve access to mass transportation; maintain tolls and offer discounts to encourage car pooling and use of public transportation.
- \* Reduce insurance rates by replacing the assigned risk plan for auto and the Fair Plan for fire with reinsurance facilities; eliminate sex discrimination in insurance; develop readable policies and explanatory booklets which permit consumers to compare policy costs.

### Resources Management, Growth and Cities

New Jersey is the most densely populated and industrialized state in the nation. Yet two-thirds of the land is undeveloped. Our coastline, rivers and mountain forests make tourism the second largest industry and farming is still a valued productive activity in the State.

This diversity makes urgent the effort to determine rationally the best use of our resources and manage our land with sensitivity and balance. Legislative action has given the State regulatory responsibility for land use development in the coastal zone, flood plains, wetlands and meadowlands. We have set a goal for processing permits under these statutes within 90 days and the Department of Environmental Protection is approaching that target through streamlined administration. The citizen's right to sue, enacted by this Legislature, complements the regulations by providing for private access to the legal process to enforce protection of the environment. This Legislature also enacted, and the voters approved, an expanded Green Acres program to preserve open space and develop recreational facilities.

These steps are a substantial beginning. But most of the responsibility to provide rational land use decision-making lies ahead. No government action could match the legacy to our children of a comprehensive land use and resource management program. At my direction, an Administration Task Force has worked to evaluate the existing regulatory scheme and the options available to us. They have sought the advice of experts throughout the country. Their evaluation so far demonstrates how much we have to do to promote rational land use in New Jersey.

For effective resource management must serve a complex set of objectives: it must support economic growth and employment; protect the natural resources of the environment; manage energy consumption; expand housing opportunities and satisfy basic needs for shelter; preserve home rule and local procedures.

The deficiencies in our present approach are apparent.

- \* Major development occurs outside the reach of State or regional consideration, although bringing harmful consequences to traffic, water supply, pollution and aesthetic values affecting the quality of life.
- \* Local government procedures involve delay and duplication, without properly taking account of regional impact of development decisions.
- \* The State lacks adequate authority to set goals or guidelines, and its procedures need improvement as well.
- \* Tax treatment of farmland is subject to abuse and fails to assure sufficient farm land preservation;
- \* Municipal use of zoning power to frustrate regional housing needs has aggravated our housing shortage, increased urban decay has prompted judicial intervention which threatens traditional concepts of home rule.

The Supreme Court is now considering two cases where the lower courts have ordered local government to zone in conformity with regional needs. Abuses of local zoning cannot be ignored by this Legislature. Restrictive zoning involves consequences felt throughout the State: it contributes to the depressed building industry and the soaring unemployment among tradesmen; the low density development of such zoning causes more public funds to be expended to serve sprawling suburbs. As a result of zoning patterns, workers cannot find housing near available jobs. The cost of housing is increased; and families with modest incomes, including young couples and retired citizens, are caught in the squeeze. Finally, and most troubling, misuse of local zoning brings judicial solutions which burden the process of local government.

I intend to submit to this Legislature comprehensive legislative proposals to address this complex set of problems in resource management and economic growth, giving maximum recognition to a municipality's right to its own personality and zoning objectives.

First, I will ask enactment of a comprehensive bill to administer land use decisions for the largest developments with regional impacts. The thrust of this proposal will be to provide for State sharing of authority with local government in determining the location of major facilities with regional impacts, including power plants, petrochemical facilities, the largest commercial and industrial developments and zones surrounding major highways and state facilities.

This proposal will focus, too, on State regulations to encourage job producing development in appropriate industrialized areas of the State and in vacant land in our urban centers. Thus, the plan I urge will be designed to balance social needs and encourage development in some zones while regulating chaotic growth in other areas of the State.

Second, we must develop methods to assist municipalities in responding to the judicial requirements to serve housing



needs. I believe that proposals for State guidelines, technical assistance, planning of goals and development aid can produce a State-local partnership which yields land management and housing distribution procedures that remain sensitive to local government traditions.

Third, I will submit legislation extending State environmental protection regulations to the Tocks Island and Skylands areas, regions where haphazard decisions risk the loss of irreplaceable natural resources.

Fourth, in 1975 we must respond to the Blueprint Commission goals of preserving New Jersey farmland with a concrete proposal which achieves that objective within the limits of our means.

Fifth, the Legislature should act to reform the procedural side of land use. The basic design of the reform procedure submitted by the League of Municipalities is sound, and I urge its adoption to eliminate duplication in local government. So, too, at the State Level, I will urge amendments to provide a single coordinator of various permits required, so an applicant is not to make his way through overlapping and varied State permit agencies.

Finally, I urge passage and legislation to guarantee equal access to our public beaches, the State's most popular natural resource. This statute will assure implementation of the Supreme Court's decision recognizing the public right to beach access.

### Cities

Any effort to improve the quality of life in New Jersey and protect our resources must begin with the standards of service in our cities. If we—the Administration and the Legislature—fall in our promises to those who live in urban centers, we will have broken our pledge to make the future as just as it can be. We know, too, the limitations of urban programs without adequate funds. But even without great sums—which we will not have available in 1975—there is much we can do.

First, our proposals for school finance and housing development will aid the cities. Further, I have ordered a detailed review of existing state services, technical assistance and aid to ensure that our available resources focus on the cities. For example, the Task Force on Aged Poor will concentrate on delivering emergency food, fuel and health aid to the elderly in urban areas. With the Governors of other large urban states, I intend to carry the fight in Washington to expand services provided to the urban poor.

To aid cities improve their fiscal management, we should explore the concept of a Municipal Bond Bank to pool financing services in order to reduce the costs of borrowing.

In law enforcement, transportation and education, this Administration will bring a special emphasis to bear on the problem of increasing security and service in the cities. For

example, a priority objective of the Department of Education will be to improve the quality of early childhood training in the state's larger cities. And our efforts to improve management in school districts can improve education in cities while reducing the tax burden.

But when hard choices for priority have to be made, we should focus on the preservation of the still viable neighborhoods of cities and inner suburbs. For it is here where working people, who represent the backbone and hope of New Jersey, live and raise their families. In these communities is one-third of the housing in New Jersey, most of it owner occupied. There, too, is the tradition of family, work and pride. Yet the residents of these neighborhoods benefit little from government programs. They face crime and pollution and joblessness and inflation. And they remain, preserving the communities so vital to this state. Neighborhood preservation offers several advantages—preserving housing is less costly than replacing it; continued low-density sprawl surely makes little sense in terms of land use, energy policy or transportation. So I will propose a set of incentives to encourage combinations of private and state efforts to rehabilitate and preserve the neighborhoods of cities and inner suburbs; to promote investment in those communities; to promote homesteading or other methods to gain an equity interest in one's residence; to encourage home improvements; and to improve their security. I believe this program of neighborhood preservation represents an investment in the future for all New Jerseyans.

### Government Integrity and Law Enforcement

The restoration of public confidence in government remains our first obligation to the people of this state. Honesty, as I said in my Inaugural Address, is not sufficient, but it is the necessary starting point for all else we undertake.

In 1974 we took important steps to restore faith in the integrity of public officials: we kept our pledge to remove the influence of money on gubernatorial elections; we enacted postcard registration to expand participation in the electoral process; the requirement of financial disclosure for appointed officials lets the public know that no one will profit from positions in this administration.

But much remains to be accomplished. I urge immediate legislative action on these important measures:

—Final passage of the pending bill for public financing of gubernatorial primaries to complete our work to fulfill the pledge that ours was the last administration elected in the market place of private contributions;

—Reform of Title 19, the election law, an effort long overdue. It is time to complete the studies now underway for more than a decade and act to revise the confusing and outdated provisions of the statute. The existing election law does

not effectively protect against the abuses we have suffered and at the same time includes so many needless prohibitions it results in continuous unwitting violations.

—Extend the Conflict of Interests Law to New Jersey members of bistrate agencies, as I have previously urged, and to all local government units, including school districts and utility authorities. Vigilance is demanded at all levels of government; and our citizens are entitled to assurance at every level that honesty prevails. This legislation should rank among the highest priorities for the 1975 session.

—Passage of an Autonomous Authorities Reform Bill to protect against conflicts, assure public access to records and decisions, regulate bidding practices, and otherwise provide for greater responsiveness and efficiency in these public bodies.

—Immediate passage of S-858 which increases penalties for official corruption, lengthens statutes of limitations and facilitates restitution remedies against illegal profiteering and abuse of official positions. These reforms will increase the effectiveness of our new Official Corruption Unit in the Division of Criminal Justice. This added investigative and accounting capacity enables the Attorney-General to get more effectively to the heart of most public corruption cases—the vouchers, checks and other documents so often critical to proving criminal abuses of public trust.

The administration of criminal justice to reduce the level of crime requires the joint cooperation of all branches and levels of government. For the executive branch of state government, I intend to establish a Governor's Law Enforcement Policy Council, bringing together representatives of police, prosecutors, courts and corrections and including federal officials to continue the close cooperation developed between the Attorney General and the U. S. Attorney in the last year. This council will aid in establishing goals and priorities; it will coordinate law enforcement direction; it will assist me in proposing and evaluating legislation affecting criminal justice. Second, I will convene a Governor's Conference on Criminal Justice Standards and Goals so that we can develop and apply performance standards for all components of the system. This Conference will come together to review the work on standards and goals of two working groups of professionals and public citizens, one to study juvenile justice, another to review the system affecting adults. Federal funds are available through LEAA to develop standards and goals for criminal justice.

Further, we have already initiated two important studies of law enforcement techniques—a review of the State Police to determine standards for the allocation of functions and responsibilities and increase its investigative capacity; and, with the help of the Police Foundation, a comprehensive evaluation of local law enforcement including deployment of police, the impact of various technologies for improving

security, and the benefits of different efforts to improve community relations.

For the Legislature, one of the most important tasks of 1975 is to enact the Model Penal Code. This law revision represents enormous work performed carefully, comprehensively and sensitively by a distinguished group of experts. It will impose rational order on a confusing array of penal statutes. While there remain issues to resolve amendments and, extensive debate, the Code will bring a new level of fairness to the criminal justice system, I believe it is essential that this Legislature enact a codification. That goal can be achieved only if committee review in both houses is expedited.

### Priorities

There are other legislative proposals I urge you to consider promptly:

—Unification of the court system, to increase efficiency and economy in judicial administration is an overdue reform. A unified trial court will enable us to develop the family court concept, eliminate overlapping and fragmented handling of cases and make better use of data processing. It should include abolition of part-time municipal magistrates, a system whose abuses have been so clearly documented over the years. I believe, too, that the Legislature should consider asking the Chief Justice to address a joint session on the State of the Judiciary, a step which would further cooperation among the branches in meeting problems of common interest.

—Reform of jury procedures, including passage of the six-member jury bill for civil cases, increased compensation and travel reimbursement for jury service, and revision of the source of jury lists to broaden the pool while eliminating disincentives to voter registration.

—Legislation to provide full time prosecutors for Hunterdon, Ocean and Gloucester counties to reflect the caseload increase, the dramatic growth of those communities and the sound concept of complete commitment to prosecutorial work.

—Programs to upgrade training and educational opportunity for law enforcement officers. To attract the highest quality persons to law enforcement, we should continually improve the standards and benefits of police work. As soon as economic conditions permit I will submit to you a revised program for police and fire retirements after 20 years service.

—Finally, reform of the parole system is long overdue. The complex issues include eligibility criteria, hearing procedures and the composition of the agency charged with parole decisions. We are evaluating alternative suggestions for parole reform, and I intend to submit a program during this legislative session.



When the criminal justice system fails its promise of effective, swift, fair law enforcement, every citizen loses. The efforts I urge are designed to address the major deficiencies of the system and provide for the increased security of our people.

### Corrections

The correction system in New Jersey needs a complete review. It is easy to condemn the current state of correctional institutions but more difficult to identify solutions. Some urge that more large facilities be built to provide space for long detention periods. Others insist that no large prisons be used, but that we move towards smaller community-based facilities.

This debate reflects a fundamental difference over the purpose of imprisonment, and the balance between punishment, deterrence and rehabilitation. No one can offer an unequivocal answer to this issue. I do know, however, that 95 percent of those committed to our prisons re-enter the community, and that we are all harmed if these former inmates are not better equipped to cope with daily living after discharge. And I am convinced that we must look toward a greater variety of institutional settings than is represented by the traditional large maximum security prison.

Last year, we began a long overdue preparation of a correctional master plan. But while this planning goes forward, the efforts to upgrade the physical conditions of our prisons will continue. The population of Trenton State Prison has been reduced by 300 since last January. Another 400 should be moved out this year. Educational opportunities through the Garden State School District, the community and State colleges will expand. The work-release and furlough programs will continue, with an emphasis on insuring public safety. Finally, the Public Advocate will continue the effort to expand and secure inmate rights to fair treatment and rehabilitation.

### Institutional Reform

Persons under the care of the state deserve to be treated with dignity and provided a safe, clean and humane environment. No one disputes that obligation. But we must recognize that the reality of our institutional care system, in many tragic ways, falls far short of this standard.

Calls for reform of state institutions are not new; nor have past efforts been without effect. Conditions have improved without question. Parts of our institutional system are working well. But efforts to improve conditions must continue. Our public institutions must move to set increasing standards of care and well-being for patients.

This session you have enacted legislation to expand the right to treatment for mental patients. Despite our fiscal difficulties, we must dedicate ourselves to a program for institutional reform.

Our program in mental health will have three major objectives. First, all patients in our mental hospitals will be evaluated to determine the most appropriate level of care, and in cases where a more suitable alternative exists, transfers will be made.

For example, preliminary study indicates that at least 800 patients are retarded and not in need of psychiatric care. We must find a way to place these people under the care of the Division of Mental Retardation, where the program is geared toward maximum rehabilitation to permit a retarded person to function at his highest level of capability. These retarded people are not mentally ill and do not benefit from a program which treats them as mental patients.

Second, the New Jersey Mental Health Planning Committee will address itself to the development of a comprehensive mental health system providing a continuum of care with emphasis on treatment in the community. At the same time, I ask the Legislature to work with us on an omnibus package of law reform incorporating patient care standards, commitment procedures, and a revision of the Community Mental Health Act. We must insure that community mental health becomes a reality in New Jersey.

Third, we cannot lose sight of the fact that mental hospitals will continue to play an important role in the treatment system both for acute care and long-term care for people that cannot function in the community. We must, then, make certain that our hospitals provide a level of care that we would find acceptable for our own family. We must provide for professional administration, for employee training, and career ladders. We must create therapeutic communities in which all contribute as part of a treatment team. These goals may require more financial resources—resources that we do not have. But in the long run, an effective and comprehensive system of mental health care will save additional expenses.

What is required of us in 1975 is to look toward those areas of government where we can progress without great cost in dollars. Economy of resources is essential. So, too, is economy of legislative effort. To measure legislative success in numbers of passed bills is to misunderstand your responsibility, and mine. This Legislature ought not respond to public criticism by filing the statute books with needless expansions of government authority or further restrictions and prohibitions on private responsibility. Our statute books are full, and our obligation is to use these powers to better effect.

The Legislature will do itself most credit in two ways: first, to accompany each new enactment with the repeal of an unnecessary commission or outdated statutory regulation; and second, to concentrate this session (in addition to the Constitutional mandate for educational opportunity) on adopting these significant priority bills:

1. Jobs and Economic Development, including Business Incentives Bill and Capital Needs Program
2. Model Penal Code
3. Conflict of Interest Law Revision
4. Comprehensive Growth and Land Use Bill
5. Housing and Neighborhood Preservation, including expansion of Mortgage Finance and Housing Finance Agencies, Uniform Building Code and Rehabilitation Incentives Bill.
6. Emergency Energy Act for Planning, Information and Allocation
7. Workmen's Compensation Reform
8. Autonomous Authorities Reform Bill

Reforms of the Legislative process are needed, too, if we are to restore public confidence in their government. We have pledged to open the legislative process to scrutiny and end the secret caucus system—to conduct the public's business in full view. Now, after one year as the majority party, I think it is our obligation to examine the record, to ask whether our procedures are faithful to that pledge, or whether those procedures should be changed to open up your deliberations, no matter how sensitive the issue or uncertain the outcome of debate.

The need to increase public confidence in government procedures should compel the abolition at last of senatorial courtesy. This practice is outdated and out of step with the governing principles of 1975. It should be ended immediately and replaced by procedures which ensure a floor vote on each nominee for public office. Committee rules should be revised, also, to assure floor consideration of bills which meet with more favor in the full house than they do in a particular committee.

Finally, the laws and rules dealing with conflict of interest are in need of review. The existing statute does not adequately regulate appearances before state agencies by legislators or disclosure of situations where official duty may conflict with private activities. So, too, meetings and decisions of the Joint Legislative Commission on Ethical Standards should be public, so the people can judge the activities of their representatives and the Commission itself. Further, it is time to apply an appropriate form of financial disclosure to members of the legislative branch and candidates for legislative office. Both the executive and judicial

branch have recognized the value of exposing to public scrutiny the private activities and influences persons charged with public trust. The same standards should be met by those elected to make the laws.

In the end, all of us will better serve the people if we are vigilant and open in exercising the authority entrusted to us.

### CONCLUSION

It may be that governments, in these times, will be measured not so much by the initiatives they take in solving public problems, but by their ability to live within their means and make more efficient use of scarce resources. I cannot fully subscribe to this view; I believe that ahead of us lie new frontiers.

But I am a realist.

This administration would like to pioneer new efforts in alleviating human misery and in meeting the vast agenda of unfulfilled public needs. The times, however, dictate another thrust—the difficult and unglamorous work of prudence, economy, and sound management. We must test the programs we have inherited and preserve only those which serve an undeniable public need.

There is not a great deal of political mileage in this approach. Few monuments are struck to the consolidators or the efficient.

This does not mean that we should not be bold enough or brave enough to propose new solutions when the times require them.

It does not mean that we should not fight for progressive and better programs.

It does not mean that we must surrender to a kind of know-nothingism that rhetorically whines about the cost—any cost—of government. Some services are costly, but so too are they essential in a humanitarian society.

While I do not call upon this Legislature to break new ground in most areas of state government, I do call on you to stand your ground against the forces that would retreat into the past, that would heap additional tax burdens on an already unfair system, that would find political refuge in lamenting our condition rather than working to change it.

The people of New Jersey deserve nothing less from their leaders.

New Jersey is a great state, filled with magnificent natural resources, outstanding colleges and universities and leading businesses and industries. But, most importantly, it is almost 8 million people who have placed their lives in our hands and look to us for the best leadership we can provide.

The circumstances of this difficult hour should remind us of the words of Abraham Lincoln: "As our case is new, so must we think anew and act anew."

These times demand new thinking and new standards of public trust. With your help, we shall set high goals and we shall keep faith with ourselves and with those who have given us this great responsibility.

Let us look ahead and make the people of New Jersey proud of us as we seek to improve the quality of their lives.