

SIXTH ANNUAL MESSAGE

This is the published version of Governor Byrne's Sixth Annual Message, delivered to the 199th Legislature, First Session, on the day of its organization, Jan. 8, 1980. In his appearance before a joint meeting of both houses that day, the governor delivered a speech on the same themes that was shorter and somewhat different from the printed text.

Blueprint for the 80s

Today marks New Jersey's official beginning of the government of the Eighties.

Today we look back on the remarkable progress this State has made in the 70's and tackle the challenges that confront us in the next decade. Our job in the 80's is to make New Jersey more safe, attractive, exciting and affordable.

I can say confidently that this State in recent years has moved forward more rapidly, has grappled with problems more persistently and devised solutions more creatively than at any previous time in our history.

We have waited for no one to show us the way. We have not looked solely to the federal government to take action to solve our problems. We have not waited for other states to devise models for us to follow.

We have more aggressively shaped our own future. We have taken the initiatives and we have shown others the way.

In economic development, New Jersey has been fiscally responsible, cut red tape, and together with the private sector devised an action agenda that pushed us to record levels of employment in 1979.

In law enforcement and criminal justice, we modernized our Criminal Code and parole laws, consolidated and streamlined law enforcement agencies, unified the court system, and stepped up efforts against drunk driving.

In service to our citizens, we have devised innovative programs of assistance to the neediest in paying utility bills and prescription drug costs. We have made rapid strides toward improved public transportation, in hospital cost controls, in urban aid, in cleaner air and water, and in protecting the unique Pinelands.

In regulatory matters, we have moved to deregulate the price of liquor, to re-examine the value of state milk price controls.

New Jersey State Government has been streamlined and strengthened, made more cost effective. We have strong legislative leadership, able Cabinet members and highly qualified professional administrators. We are better equipped to address our problems.

Our role, however, is not to stand by and await federal action. Our responsibility is to continue moving out of the shadow of the federal government, to address our own problems, to stand on our own feet and reach our own solutions.

The time has come to rely more on the states to resolve new issues and new questions. The ability and resources of the federal government are limited. The federal budget is close to being balanced for the first time in decades, and unlimited funding for new programs, therefore, is a thing of the past.

But I urge the Legislature to single out a few of the priority issues for legislative action and to work with the Executive Branch to resolve other issues administratively.

There is no reason to continue introducing thousands of pieces of legislation every year to deal with every conceivable issue.

We will continue to build upon the excellent record we have developed cooperatively in the past six years, but we must focus especially on these priority issues which most concern our citizens.

During the past decade, we have taken significant steps to change not only New Jersey's physical face but its spirit as well. Once called a state without an ego, New Jersey has new excitement and pride. In the coming decade, we will build on the base of the 70's to shape the New Jersey of 1990.

Last year, we took difficult but decisive action to influence development in the next decade and the next century through the protection of the Pinelands, New Jersey's unspoiled heartland. Last year legislation was enacted to protect the Pinelands, and I am closely involved in seeing that the intent of that legislation is carried out.

With the Pinelands protected, we can attempt to direct growth to those areas where it is most needed, to the waterfronts, to our shore resorts.

The protection of the Pinelands capped earlier achievements in the development of the Meadowlands, the construction of the Sports Complex and the start of Atlantic City's rebirth. Such developments will continue to add to the exciting New Jersey of the future, and to the preservation of the State's diversity — its cities, suburbs, farmland, industry, shore and other resources — which has long been the fascination of those who know and love New Jersey.

In the next year, we will make more decisions affecting New Jersey's political, economic and social future for the decade and beyond. We will shape state development policies in cooperation with local governments by setting targets of population growth, for the state as a whole and for our regions.

For the first time, we will use these targets to shift growth to already developed areas and away from fragile remaining natural resources. We also will develop strategies for growth and preservation. In consultation with local government and private interests,

we will propose and adopt state strategies for land-use, economic development, transportation, farmland and shore preservation during the next year.

In a time of limited public and private resources, it is more important than ever during the 1980's that we make decisions about if, how and where we want New Jersey to grow. The stabilization of New Jersey's past population growth is not necessarily to be feared if it will mean a better life for those who continue to live in the state. And it does not make sense to seek new industry which provides insufficient benefits to our existing population, or which does not put our unemployed to work, or which uses up excessive amounts of our limited investment, energy or environmental resources when other types of projects may be more compatible with our idea of where the state should be headed for the future.

If we act now, the New Jersey of 1990 will build on our past to create new and exciting environments for the next generation. At the beginning of the 1980's, let me share with you some hopes for New Jersey's next decade.

In Newark, for example, as with all our cities, the strategy for development should take account of its special assets. We cannot turn back the clock to recreate the Newark of the past, but we can build on the ethnic variety of Newark today to spur its redevelopment. We can promote ethnic entertainment, music, dance and food to bring people back to neighborhoods and streets, and begin to restore the sense of safety and security essential to revival of that community.

There are exciting projects in Newark to rehabilitate Symphony Hall and its surrounding area into a cultural and entertainment center; to develop the neighborhoods adjacent to the universities for new housing, stores, schools, and an environmental center; to restore the riverfront for recreation and markets; and finally to rebuild Penn Station and its area to expand on the already encouraging renovation of the Ironbound section.

As a symbol of the State's commitment to the new Newark, I will direct that planning begin for a new State Office. We now rent a second rate State Office Building which adds little to Newark's image. Our Office Building should be first rate, well landscaped and enjoyable to the workers in and around the area; and it ought to be done now. This will be integrated with other development plans of the public and private sector to anchor widespread renewal of the City's business district.

Along the Hudson River Waterfront, we could by 1990 see one of the most dramatic reversals of urban decay in the nation as rotting piers and buildings are transformed to new parks, restaurants, museums, markets, and shops.

For these reasons, I created the Hudson River Waterfront Planning Study and Development Commission. After a number of meetings and two public hearings, the Commission has identified

five key issues for detailed study: public access to the waterfront, financing of waterfront development, the decision making process in the region, the promotion of mixed use waterfront development, and the feasibility of preserving the Palisades.

I have asked this Commission to submit its recommendations to me as early as possible this year. I believe that a regional approach to planning and decision making in the Hudson River area will be a major step toward fulfilling our urban policy, stimulating the regional economy, and protecting environmental resources.

The success of Liberty State Park in converting the Jersey City shoreline to the true gateway of the nation will be even more evident as we open the railroad terminal for concerts, theater, and exhibits, and as a center for water transportation to the Statue of Liberty, Ellis Island and, hopefully, to other points in New York City and New Jersey.

We continue to explore bringing back the Battleship New Jersey to serve as the honor guard of the nation's key harbor.

I ask that we put aside narrow concerns of political jurisdiction, and seek regional solutions if the exciting potential of the Hudson waterfront is to be realized.

In the Meadowlands, the next ten years could see this region become one of the few successful examples of new communities consistent with the environment and the needs of nearby older cities. The careful and orderly development of the Meadowlands can provide important benefits to the state and its cities as we coordinate construction with the regional needs of new employment, housing, and private investment. Meadowlands development can be supportive of our urban policies, not antagonistic to them.

In 1990, we could see new housing and commercial development; a wholesale food distribution center cutting consumer costs; a regional resource recovery facility converting garbage to energy; a Richard DeKorte State Park with boating, skiing, and a wildlife refuge developed from a former garbage dump; and an environmental center to show our children the value of our natural resources.

By 1990, New Jersey should also be recognized as the entertainment center of the nation. The Sports Complex has already shown how New Jersey can tackle difficult projects and make them work. In the next year, we will add to this record by completing negotiations for a New Jersey hockey team to play in the new arena.

I also propose expansion of the Sports Authority's jurisdiction elsewhere in the state to make possible more development of recreation and entertainment facilities, with careful fiscal controls which do not jeopardize the Authority's past success. We also will take decisive action this year toward the rebuilding of Garden State Park Racetrack in Camden County.

By the end of the decade, there will be more teams playing in

Giants Stadium, a basketball team and perhaps a baseball team in the World Series. Our reputation as a sports center could also be enhanced if we can attract to Middlesex County the United States Olympic Training Center, a facility which will not only strengthen our national identity, but also give us a central role in the growing sports medical research field. Rutgers, with academic excellence, will field nationally ranked football and basketball teams.

The Sports Complex and Atlantic City are already attracting nationally known performers, and the opening of the Meadowlands Arena and additional hotels will strengthen our ability to bring top-level talent to the state.

This not only makes New Jersey a center of regional and national attention but allows us to keep and attract tourist dollars to New Jersey formerly spent outside the state. NAFEC will become a major international airport.

If we act now, we can also expand the success of the Motion Picture and Television Development Commission in promoting movie and television production in the state. In 1979, movie and television producers spent more than \$6 million in New Jersey, and that figure could be substantially increased in future years. We need a media production complex to expand this major industry.

We will encourage improved entertainment and cultural facilities, including the winterization of the Garden State Arts Center and the development of regional theaters and concert halls to serve local needs. New or expanded museums are also possible for New Jersey's future; current ideas include an ethnic heritage museum, a science and technology center, a toy and folklore exhibit, and railroad and fire engine collections.

The next ten years could be critical for the future of the New Jersey shore. Last year, I convened a conference with local representatives to discuss our problems and plans.

The end of the decade could see a rapid and efficient rail and bus service for the North Jersey Shore and the Atlantic City region, new hotels, conference and convention facilities in Asbury Park, Long Branch and other resorts; new and expanded amusement and tourist attractions including marine museums and an aquarium, and new commercial and recreational fishing facilities in Cape May, Ocean and Monmouth Counties.

I am confident that the Atlantic City of 1990 will be the inspiration for the renewal of the entire shore. But it will take action now to meet the critical problem of housing, transportation, and economic dislocation if we are to keep our pledge to develop gambling in Atlantic City only as a tool to meet the needs of the City, its region and residents of all income levels.

I am in favor of strong action to improve state and local efforts in meeting needs for the new housing, transportation and other impacts of Atlantic City's growth. If these needs are not met, we can offer legislation for your consideration which will provide a region-

al approach and strategy to the review of development impacts. I will also direct that relevant state agencies review their current powers under existing law to condition the approval of new major projects for casinos and casino-related development upon a demonstration that the developer assume a fair share of the regional burden for housing and other impacts of development.

Despite initial problems and occasional jealous criticism of outsiders, we should not forget that Atlantic City is becoming a new city built on the ruins of urban decay. With our strong safeguards against organized crime influence and with progressive planning, Atlantic City will be one of the proudest legacies to New Jersey of 1990.

The problems of South Jersey deserve special attention during this decade. While I fully expect New Jersey to remain united, we should attempt to deal with the views of some that this region is neglected in setting the state's priorities.

Last year, I approved the creation of a special economic development district for four South Jersey counties. This district will aid in setting a coordinated strategy to plan for the future South Jersey economy.

We should also make firm decisions concerning transportation needs for the southern part of the state, including the proposed PATCO high-speed line extension, Delaware Bay area service and the Pennsylvania Reading Seashore Line improvements.

If projects are too costly given projected resources, we should frankly recognize our problem and plan more feasible alternatives.

New Jersey may by 1990 also be the world capital for new discoveries about our universe. In addition to our already strong position in space technology through Bell Telephone Laboratories, RCA and our university researchers, we are now competing with other states for the location of the Space Telescope Institute. This project will develop and operate the orbiting telescope of the National Aeronautics and Space Administration, and will greatly increase our knowledge of the galaxies. If we gain this Institute, major announcements of new findings about the stars and planets will carry a New Jersey byline.

But New Jersey is not only telescopes viewing the stars, the Giants, Cosmos, and Nets playing in the Meadowlands, or Perry Como singing in Atlantic City. New Jersey exists for people, and these symbols are only important if they show a new and exciting physical environment in which our people can work, live and play, and that we have a new confidence in the state and ourselves.

It is time during the 1980's for New Jersey to look inward; to solve our own problems; to rebuild our own cities; and to find jobs for our existing residents. The physical symbols of the new excitement of this state will show that New Jersey stands as tall and strong on its own in 1990 as it does today.

These and other projects raise an exciting picture of the New

Jersey of 1990, but how do we convert these ideas to reality? The State government cannot do everything itself, and much of our effort must be directed to traditional government responsibilities in running government efficiently, honestly and openly. But there are things we can do.

We can look, for example, at our existing ability to finance cooperative public and private sector projects which can be a key to our future development. I ask that you consider how the State could assist, through a bond issue or other programs, local governments, community development organizations or others in the construction of innovative projects for development of downtowns, waterfronts, and other areas through new offices, concert halls, markets, museums, conference, convention or other community facilities which will trigger related private investment.

We can strengthen local development capability through legislation which will encourage the creation by local governments of joint public and private development corporations of the type which have already proven successful in several of our cities. We can support reform of existing local tax abatement programs to insure that incentives are both flexible and cost-effective. We can provide surplus property for new public and private development projects. We can cut red tape at both State and local levels. We can work to insure adequate private capital is available from the giant financial institutions already in our State. These and other proposals will help to insure that State government does its part to assist in the development of New Jersey's future.

Efficient, Effective Government

The cost of living has risen dramatically during the past several years. Fuel costs stand out as the single most uncontrollable cost for all Americans, but inflation has spawned significant cost increases in many other basic materials and services — from the price of ground beef to the cost of routine medical treatment.

During my administration I have maintained as a primary objective holding down the cost of government. I have worked successfully with the Legislature in making New Jersey a national leader in restraining increases in the cost of basic services and in the overall cost of government to the taxpayer.

Most significant among the measures already enacted to make New Jersey affordable are the caps on government spending. These strict limits on the growth of government spending have forced government at every level to tighten its belt.

It has forced government to make some painful but necessary choices.

While I recognize the caps are not perfect and can be improved, the impact of any revision in the caps program must be measured against the record this program has established in reducing growth

and waste in government.

Spending caps also should be imposed this year on independent municipal authorities, which have a considerable effect on local taxes but are currently exempt from caps.

The sound fiscal management of New Jersey has earned it a Triple A bond rating, making it the only northeastern industrial state which has maintained that top bond rating.

Two major state capital improvement programs — the College of Medicine and Dentistry in Newark and the Sports Complex — were refinanced during my administration. This action saved the taxpayers over \$200 million in the total cost of these construction projects.

When major urban centers throughout the country were struggling to sell bonds at any price, New Jersey cities were able to go to the bond market, backed by the State of New Jersey. Through this Qualified Bond Program, they were able to sell bonds at lower interest and save their taxpayers the long term burden of high interest rates.

We have a bill which would strengthen the credit of local school district bonds to double or triple A rates. The community education grants which would be authorized under this bill would allow local governments to undertake capital improvements at minimal interest cost to their taxpayers.

The cost of medical services today is so inflated that a two-three day stay in a hospital, especially if minor surgery is involved, is beyond the means of any average wage earner, who lacks third party coverage. The impact of these costs on health insurance companies is being passed on to the insured through ever increasing premiums.

In response to this problem, I initiated and the Legislature passed the Hospital Cost Containment Bill in New Jersey which is designed to break this cycle of ever increasing cost and ever increasing premiums. In addition, I have initiated government programs to encourage use of generic drugs which may be less expensive and initiated and supported the Pharmaceutical Assistance for the Aged Program so that New Jersey's elderly can afford the medication they need.

Again, New Jersey has been a leader in the nation in devising reasonable programs to insure that adequate medical care is affordable to all its citizens.

We must continue to evaluate the effectiveness of our current regulatory programs, particularly as they affect inflation and the consumer. I will ask the Attorney General to continue his review of the impacts of regulatory programs, which he began last year with liquor and milk industries, and to survey additional programs to determine their effectiveness.

Productivity improvement programs in state government were introduced during my administration and today are measuring and

enhancing government productivity. In addition, procurement policies initiated by the Division of Purchase and Property in the Department of the Treasury have realized savings of tens of millions of dollars over previous procedures in purchasing.

I have recommended the abolition of a number of government boards and commissions and initiated an on-going review of government authorities. Where these authorities overlap or are performing unnecessary services, I will recommend their consolidation or elimination.

After I first took office, New Jersey was criticized for the high cost of labor, the high rate of inflation and it was suggested that productivity in New Jersey government was low, increasing waste in government spending. Moreover, there was concern that the tax base was eroding, as business moved to regions where labor was cheaper and inflation theoretically slower. Inflation here is now lower than the national average and labor costs are becoming equalized with other regions.

New Jersey's economy went through a difficult period of transition during the 1970's, and we still face critical problems as our traditional dependence on manufacturing is reduced while inflation and energy problems continue. We should not vainly try to counter basic changes in our economic situation. Some industries may fit in better than others with the State's future in terms of our investment, energy and environment constraints, and we should carefully tailor our public and private programs to assist those sectors of our economy most compatible with our idea of New Jersey in 1990.

The national problems of inflation and energy are particularly critical for New Jersey to confront from our own perspective. We will work to continue our record of the past few years in keeping our inflation rate below the national average so that we improve our relative position in terms of productivity, energy, and other factors critical to new private investment. The long-term energy situation is to New Jersey an economic problem. Strong efforts have to be taken to reduce energy consumption and promote our State's limited capability for energy production in order to slow the money drain from the State to foreign and Western energy suppliers and recapture these energy dollars for New Jersey's needs for new public and private investment in our economy.

We will strengthen and reorganize our economic development program in a plan which I will submit for your review, recruiting high-level talent from the private sector to concentrate on economic development and consolidate currently fragmented agencies.

In this new decade, New Jersey's economy must expand its multi-national base. If we act now, New Jersey could become a true international economic center by 1990. We will proceed to implement a reorganization of the State's international trade program recommended as a byproduct of last year's European trade mis-

sion. Our trade functions are critical to the modern New Jersey economy, and we will strengthen our ability to identify foreign investment and export opportunities.

We will make new efforts to expand the effectiveness of our services to small and minority business. This sector of our economy has received inadequate attention in the past, but could produce many more jobs than the highly visible but infrequent relocation of major corporations from state to state.

We will review specific initiatives with banks, insurance companies and others to insure that adequate private capital is available for investment in critical areas of our economy. We will assist in cutting red tape hindering new investment, and work with the private sector to implement critical projects.

We will continue to expedite major construction projects. I will support legislation which will build on our success in processing construction permit applications under tight timetables, assuring prompt public decisions on major private investment projects.

The modern economy of the new decade will also demand expanded and more sophisticated efforts to train our workers for complex jobs. There will be new State actions to target our job training programs to the needs of the private sector, and to reduce the current fragmentation of government services.

I am confident that New Jersey's economy will be stronger in 1990 than it is today. We will continue to encounter problems as the State changes; but change will bring new opportunities as well as challenges.

Environmental Protection

New Jersey has made important progress in improving environmental quality, and the next decade could see dramatic evidence of restoring formerly polluted rivers to fishing and swimming, cleaning the air for the health of our citizens and converting the burdens of waste disposal to opportunities for energy production and resource recovery.

One of the most crucial issues we face in New Jersey is the management and disposal of hazardous waste. As one of the nation's largest generators of hazardous chemical waste, New Jersey has been forced to meet this issue head on.

Last year, I appointed a special Hazardous Waste Advisory Commission to develop an environmentally sound, economically feasible hazardous waste management and disposal strategy. The Commission's report includes recommendations concerning a system for the siting and development of needed hazardous waste treatment and disposal facilities, and I urge your careful consideration of those proposals.

We are aggressively pursuing a program for the stabilization and enhancement of the urban environment. Our efforts in this area will be substantially aided by \$100 million from the 1978 State

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Green Acres Bond fund, which have been specifically earmarked for acquisition, development and rehabilitation of urban open space and recreational facilities.

The urban parks activities will supplement our ongoing efforts to upgrade existing park facilities. We are establishing, as a continuing and regular function of the State Division of Parks and Forestry, and the New Jersey State Council on the Arts, a summer performing and visual arts program at all appropriate major park locations.

In conjunction with both its Riverlands Renaissance and shore protection programs, DEP will be developing an improved program for providing technical and financial assistance to local governments to resolve waterfront problems and take advantage of unique opportunities. As part of this effort, I will be working directly with the State Legislature and the public to obtain passage of dune and shorefront protection legislation.

During my first term as Governor I made the commitment to expand our State's environmental monitoring capabilities. Within the next two years we will have achieved a doubling of New Jersey's air monitoring network. We have already substantially upgraded our efforts to detect toxics in the environment, and we will continue to do so with the institution of a new toxics monitoring system in the near future.

DEP will also be undertaking an extensive review of all existing advisory committees and commissions to see if they are being utilized to their full potential. If not, we will examine ways of increasing their usefulness to the Department and the public. And we will abolish those advisory bodies, or revise their duties, where they are not living up to our expectations.

Finally, in 1980 we plan to break ground on a new DEP headquarters, which will demonstrate the inherent relationship between energy, urban and environmental objectives.

Responsive Service to Citizens

New Jersey and this Administration have had a continuing concern for the poor, the ill, and young people, who have not yet shared in the benefits of our society. With growing public skepticism over the efficiency of government spending in general, and social programs in particular, the problems of providing adequate assistance to those who truly need and warrant help will be difficult.

We must continue to insure that social programs are designed to make people self-sufficient as quickly as possible, and that strong actions be taken to punish those who defraud or misuse the system.

Restoration of public credibility in the effectiveness and efficiency of social programs must be a primary objective of the next decade.

The success which New Jersey has had in the integration of casino development with our social services needs should be expanded.

I will support a State Constitutional amendment which will allow more flexible use of casino revenues so that the full range of legitimate needs of senior citizens and the handicapped can be addressed in the new decade.

New Jersey has continued to provide a broad range of services to the state's neediest citizens, despite severe restrictions on state spending.

For example, New Jersey last year was the first in the nation to provide \$100 "lifeline" utility credits to elderly and disabled to help meet the rising cost of fuel this winter.

By tapping casino revenues, with the assistance of the Legislature, we were able to provide up to \$40 million in assistance to senior citizens and the handicapped with incomes of \$9,000 or less.

With the assistance of President Carter and Congress an additional \$66 million is available this winter in federal funds for low income fuel assistance. Together, these state and federal programs should assure that people do not go cold this winter because they are too poor to pay rising heating costs.

To make the administration of this program more efficient, we have consolidated its administration with that of the Pharmaceutical Assistance for the Aged program. In this way, both of these popular programs can be operated without duplicating staffs and costs.

More than 280,000 senior citizens participate in the prescription drug program. For a nominal cost, senior citizens on limited income are able to purchase necessary medicine and drugs.

While some benefits for low income households have been increased, such as Social Security, Supplemental Security Income, and Food Stamps, poor families have been especially hard hit by the ravages of inflation. We must consider, within the limits of our tight budget, additional assistance.

At the same time, we have imposed stringent requirements for employable persons receiving General Assistance to be trained and placed in jobs.

During the past 18 months, the Departments of Human Services and Labor and Industry have implemented the "workfare" program providing evaluation, training, or employment at public or private worksites for more than 12,000 persons. These citizens are becoming more productive for themselves and for society.

The lack of available nursing home beds within the state continues to be a matter of growing concern. The waiting list of up to 2,800 persons includes mainly aged and ill persons in the community, in hospitals or in other facilities awaiting transfer to nursing homes.

Many efforts have been made throughout the year to resolve the

bed shortage problem, including a review of possible nursing home financing through such agencies as the state Economic Development Authority.

I have approved a \$35,000 appropriation for a feasibility study of a third veterans nursing care facility to treat disabled veterans.

With the help of Mrs. Byrne as coordinator, New Jersey is providing a broad range of services to the Indochinese refugees who have been driven from their homelands.

Together with resettlement work by voluntary charitable organizations, New Jersey state government is helping in language classes, vocational training and other family assistance programs.

The state Department of Human Services is restructuring its programs in schools for the mentally retarded and developing community residential programs, both in capital improvements and additional staff.

We took a giant step by passing legislation aimed at providing a "thorough and efficient education" for children in state institutions for the mentally retarded; and made substantial progress in bringing back New Jersey children placed in out-of-state facilities.

In the field of cancer control, New Jersey is the leader with cervical cancer screening, anti-smoking education planning, and a variety of anti-cancer projects coordinated by the Governor's Cabinet Committee on Cancer Control.

This administration has placed its priorities on protecting the consumers' interests, not the special interests.

We've worked hard toward the goal of meaningful reform in the automobile insurance system, but have been opposed at almost every turn by self-interested lobbyists. Nevertheless, the Insurance Department is expected to take action by the end of this month to end arbitrary classifications and territories in auto insurance premiums.

New Jersey has sought to protect the consumer in other areas of commerce, such as banking, medical care, liquor, and other purchases. Our Public Advocate, the first in the nation, has opposed unnecessary rate increases by utilities and insurance companies.

We have fought even within state government to safeguard the rights and interests of ordinary citizens rather than powerful private interests. And New Jersey is the better for it.

Increasing Energy Stability

No more difficult problem faces us, and the nation, than that of unstable energy supplies and unstable energy prices.

Much of the problem is worldwide. By the end of this decade world production of oil is almost certainly to be declining. Too much of our energy use has been linked to this limited commodity, oil. Too much has been imported from unsteady foreign regions which now threaten this nation's security with the possibility of sharply curtailed supplies.

During the past year, I formed and headed a National Citizens Coalition for the Windfall Profits tax because I believe that we must divert some of the revenues from arbitrarily inflated OPEC oil prices to developing alternate sources of energy and sound methods of conservation.

This is President Carter's long-term strategy for reducing our dependence on foreign oil, and I fully support it.

We also support the creation of a Northeast regional energy corporation to develop self-help projects for the Northeast to reduce its dependence on oil. Cogeneration of heat and electricity, hydroelectric power and solid waste energy recovery are all projects which an Energy Corporation of the Northeast can finance.

Besides alternate energy production, there also must be state-level efforts for increased conservation and efficiency in the oil, natural gas and electric energy we now use.

We must consider innovative steps, such as legislation to require that homes have adequate amounts of attic insulation before they are sold. An insulation inspection at the time of sale should be required and the buyer should have the right to expect proper attic insulation in the house before taking title to the property.

The same should be required for multi-family apartment houses. Before they can be sold, they should be required to meet minimum energy efficiency standards.

The state must make a substantial commitment to more energy efficient public buildings. For example, we should consider the feasibility of solar installations in new public buildings. We should require electrical systems which automatically shut off unneeded lighting.

Furthermore, we must encourage realistic thinking about nuclear energy. For now New Jersey must continue to have nuclear generating capacity, but first we must have assurance of safety in operating these plants. More reliance must be encouraged for use of coal in electric generation.

Today in New Jersey we have nuclear generating stations side by side, virtually identical facilities but one has a license and one does not. It is illogical to build a plant and just because it does not have a piece of paper, it cannot operate. First, the safety of the nuclear plant must be assured and then it should be allowed to operate.

Finally, we have delayed long enough in amending the utility gross receipts and franchise tax, which allows a handful of communities to reap a windfall totally unrelated to the burdens they bear from electric generating stations within their borders.

We all know the inequity in this system; we all know the options which have been discussed for several years; we all know that the right thing to do is place a limit to the distribution of these taxes and shift the annual increase in revenues to the use of citizens throughout the state for purposes such as urban aid, energy conservation

and energy efficiency projects.

Transportation

Last year, the State acted to move finally toward a modern and efficient transportation system through the creation of the Public Transit Corporation and the approval of the \$475 million bond issue for long-delayed highway and mass transit projects.

I urged that mass transit funding be incorporated as part of the national energy policy, and the President's Windfall Profits tax proposal recognizes the close tie between energy and transportation policy. If this federal policy continues, I am confident that the new decade could see significant improvement in our transportation network.

There remain hard decisions and difficult problems in transportation policy, and progress may be slow. We cannot expect immediate overhaul of a system which for years has been fragmented, disorganized and deteriorating. We have made a strong beginning, however, and the end of the decade could see New Jersey with a rational and efficient network of highways and mass transit.

During this year, we will adopt a transportation master plan which will target our goals for the decade and beyond. These goals may be controversial, and may upset those who think that their own particular project deserves funding.

The plan will begin a process, however, of integrating our capital investment in transportation with land-use, energy, environmental and economic policies. We must make careful decisions concerning where our investment makes the most sense for the State's future development in view of our limited resources.

During the next year, a priority concern should be the expansion of our current free fare program for senior citizens. This program could be funded by casino revenues upon constitutional amendment or from the massive revenues now generated by the franchise and gross receipts tax on public utilities. Action to expand the program will assist our senior citizens in maintaining active lives on limited incomes, allowing easier access to jobs, shopping, recreation and entertainment.

I have directed the Department of Transportation to develop a program to elicit private sector support for mass transportation by encouraging private employers to provide free transit passes to their employees. This experiment could be one of our effective measures to encourage mass transit use and funding through the private sector.

A year ago, I established a Cabinet Tax Force on Transportation Services for Elderly and Handicapped Citizens. After reviewing the recommendations of the Task Force, I have directed the Department of Transportation to assume a lead role in coordinating social service and para-transit operations in the State. To further the coordination of specialized transportation services for the

elderly and handicapped, I will support legislation and other measures to promote consolidation and coordination of fragmented programs.

I will also support legislation to allow more efficient use of school buses and other specialized transit services. As a first step, school boards should be able to utilize school buses to transport the handicapped and to expand the present geographic limits of providing cost-effective transportation services to the elderly and handicapped.

I have also asked the Departments of Transportation and Education to report back to me on how school buses, and under-utilized public resources, can be used more efficiently as part of our overall transportation program.

Law Enforcement

I am troubled, as you are, about the recent upsurge in crime statistics, not only in parts of New Jersey but throughout the nation.

Our first obligation as government leaders must be to protect the safety of our citizens on the streets, in schools and at home.

As the late Chief Justice Joseph Weintraub wrote, "Pre-eminent in the galaxy of values is the right of the individual to live free from criminal attack in his home, his work, and the streets. Government is established to that end, as the preamble to the Constitution of the United States reveals and our State Constitution expressly says."

On another occasion he wrote that the "very reason for its being" is for government "to protect the individual in his person and things."

Toward this end I have asked the state Attorney General to present an action program later this month to help stem crime. But we can make several observations now.

Clearly, the best deterrent to crime is quick apprehension of the criminal and swift, sure administration of justice.

This effort has far reaching implications, for if we could guarantee safety in our urban areas the rest of the task of rebuilding would become remarkably easy.

It takes no special insight to note, as so many before me have, that justice delayed is justice denied. Punishment — as swift and as certain as we can make it — ought to follow the commission of a serious crime. The criminal ought to realize that; the victim ought to expect that; and our system ought to ensure that.

Due process does not require the present average delay of one year between arrest and disposition. And each passing day makes it that much more difficult to marshal the evidence needed to achieve convictions where warranted.

And yet, as I have said repeatedly, the answer to our burgeoning criminal case load must be more sophisticated than a simple proportionate increase in the number of judges and other resources in the law enforcement — public defender system.

At my direction, the Attorney General has met with the Chief Justice to develop a speedy trial program which will function within our available resources, which will use our computer technology to measure and identify any impediment to the prompt movement of cases within the system and which will then correct those conditions.

I commend the Chief Justice's willingness to commit himself to this effort. The program has worked in other jurisdictions to effect dramatic declines in the time required to move a criminal case through the system.

I am intent upon providing — and now direct — the full cooperation of the Executive branch of government to this enterprise. If we can hasten the just punishment that ought to be exacted from those who prey on people who often are the old and the weak, then we will have acted to deter others.

The first defense against the predators in our midst is the local police force. If a breach occurs there, the effort to fight crime is a necessary but hopeless effort.

In an ideal situation — unfettered by political restraints and union contracts — our local police forces could be modeled on the recommendations of the President's Commission on Law Enforcement and the Administration of Justice. This commission called for staffing by several levels of police personnel: police agents, police officers and community service officers.

Qualifications and compensation would reflect the levels of responsibility, and the community service officers — uniformed but unarmed apprentice policemen — would constitute a visible and vital presence on the street.

But we live in a society which is restrained by political facts of life and tradition; and for the moment we ought to consider interim steps which are designed to improve public safety but which, in candor, are incapable of ultimate solution.

We ought to review and then establish minimum performance guidelines and standards; we ought to examine and bolster in-service training requirements so that our police are as well trained as the criminals they challenge; and finally we ought to compensate police in accordance with the burdens we insist they assume.

It became clear to me as Chairman of the National Advisory Commission on Criminal Justice Standards and Goals that the private security industry will play an increasingly important role in individual safety.

And we need legislation which will set uniformly high standards of quality for private security personnel and the agencies that employ them.

Some innovative programs which we have implemented in a few counties ought to be expanded. For example, the Career Criminal Program in Passaic and Hudson Counties has singled out repeat offenders who are charged with serious or violent crimes.

Once identified, the cases are moved quickly; plea bargains are employed only minimally; and custodial sentences are encouraged. Chronic offenders, under this program, are removed from our midst, no longer to pose a threat to our freedom from physical harm.

Juvenile criminals are no less a threat to that freedom than their adult counterparts. I join in the Attorney General's call for a greater use of the waiver process so that small proportion of repeated, violent, juvenile offenders who are incapable of rehabilitation be treated accordingly. And I look forward to additional proposals to deal with the ominous and alarming escalation of juvenile crime.

No crime-reduction program can succeed without the active participation of our citizens. The program being developed by the Attorney General should apply community resources to the reduction of crime in the form of crime prevention and civilian volunteer activities that supplement traditional police patrol activities.

The Department of Community Affairs' Safe and Clean Neighborhood Program and several local police departments have already had great success with crime prevention activities.

I have asked the Attorney General and Commissioner of community Affairs to arrange training courses for police officers in the techniques of crime prevention and to provide technical assistance to those local police agencies who wish to establish crime prevention units.

There is a critical need to improve understanding and cooperation between the community and police. We must counteract the isolation of the modern police force which results from the centralization of operations and the motorization of patrols. Local communities must be made aware that the police cannot effectively fight crime without help from the community.

The training of civilians to observe and report crimes and dangerous conditions in their neighborhoods is one way to provide this help.

I look forward to receiving recommendations from the Attorney General on this approach.

Education

High quality public education is another of the aspects which

make New Jersey attractive to business and residents. Where we now do not have good schools, we must do everything possible to bring them up to acceptable standards.

During a period of declining enrollments and double-digit inflation, attainment of these goals requires careful management of our schools and a re-examination of our education system.

The 1980's will require careful examination of school systems to improve quality, cut waste, and improve efficiency. Hard decisions will have to be made about spending, both in Trenton where funding decisions are made and by school boards where spending decisions are made.

The school evaluations undertaken by the Department of Education and the technical assistance provided by the four regional Educational Improvement Centers are a good beginning in our efforts to improve our schools. However, much more remains to be done if we are to have a significant impact on the quality of education statewide.

Students and parents must accept their share of the responsibility for learning if achievement is to rise. Our actions must take into account both the motivation of our youth as well as the productivity of our educators.

As a next step to upgrade the quality of instruction in our schools, I recommend that the statewide basic skills proficiency requirements for high school graduation be complemented with statewide course requirements.

Students who are assigned to buildings that are cold and damp or crowded and unsafe, may not be motivated to even attend school. Forty-eight percent of the buildings in our cities were built before World War I and sixty-seven percent are fifty or more years old.

For these reasons, we are providing community education grants as incentives for districts to develop multi-purpose community facilities rather than single purpose schools.

Local boards of education must have flexibility in the use of their facilities, permitting rental or leasing for private and public purposes. I also recommend that local boards be permitted to construct facilities in cooperation with other public and private organizations.

Duplication of effort and inefficiencies due to the failure to achieve economies of scale continue to be problems in education. Small school districts with many administrators for relatively few students cannot continue. The Department of Education will continue to encourage the regionalization of functions such as transportation, data processing, food services, purchasing and services to special populations such as the handicapped.

Transportation poses a particularly difficult problem because of

rapidly rising fuel prices. Efficiency is not encouraged under a system where the state reimburses all local school transportation costs. A better system will be devised this year.

Our commitment to education today is more extensive and costly than it was when I was in school. In those days, students had to meet a fixed standard of achievement or be forced to drop out.

Today our social commitment is to educate everybody according to his or her own ability. Here's why we have problems in education, here's why average test scores are not as high as they could be. We are trying to keep more people in the system and not give up on their education.

We have to take a hard look at consolidation, not only of services, but of small school districts. Last year, I talked about a lack of incentives for school districts to develop efficiencies.

Since then, I have seen no real movement on this issue. It's now time for me to stop talking and for you to start legislating. Evaluation powers are contained in the "thorough and efficient education" bill of 1975 and through the budget process which should be exercised promptly. Also, I expect a report shortly from the State Board of Education on this issue.

Housing

Nineteen Seventy-nine was a year of accomplishment and commitment in housing.

The Multi-family Demonstration Program was begun. This \$1.5 million program, which is actually a second phase of neighborhood preservation, provides for a variety of rehabilitation and other innovative programs designed to demonstrate techniques for solving the problems of deteriorating 5-50 unit apartment buildings. We look to this program to enable the State to develop workable strategies for meeting the serious problems of housing deterioration now affecting our older urban and suburban communities.

The New Home Warranty Program was implemented. The first of its kind in the nation, this program requires that all homebuilders constructing one and two family homes, condominiums and cooperatives register with the State and provide certain statutory warranties through a program of insurance.

The Housing Finance Agency set new priorities. There will now be a concerted effort for building family housing in urban areas with a second priority being the rehabilitation of existing structures.

The Mortgage Finance Agency's Home Improvement Loan Program has provided more than 2,000 homeowners with loans to

upgrade, enlarge or install energy saving improvements in their homes.

In an effort to provide needed services to municipal governments several programs and projects were implemented or continued.