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II

MESSAGES TO THE LEGISLATURE

Regular Session — Convened January 7 — Adjourned March 25

ANNUAL MESSAGE

STATE OF NEW YORK—EXECUTIVE CHAMBER

ALBANY, January 7, 1959

To the Members of the Legislature of the State of New York:

There lies before us a joint mission of the highest calling. That mission is to achieve a resurgence of human progress in New York State based on accelerated economic growth.

The ultimate purpose of our effort is to insure the opportunity for each individual to attain his fullest potential and achieve the maximum development of his own capacities.

The fulfillment of our mission will demand a high degree and quality of leadership. It must be the brand of leadership that brought the Erie Canal into being nearly 150 years ago and helped put New York in the forefront of the nation's economy. This same kind of leadership led to the construction and the development of the Thruway and the St. Lawrence Seaway and Power Project. This kind of leadership has in the past enabled New York to pioneer in social advances and to create great cultural and intellectual institutions. It must be the type of leadership which reaches ahead to seize the opportunities of the nuclear age.

To generate a new era of progress, we need not only to focus sharply on the problems of our times but to anticipate the problems of the future as well. We need to chart courses which will achieve basic solutions. We need to act decisively to shape emerging forces and to avoid drifting into emergency and crisis.

The time lag between planning and action has lengthened with the growing complexity of modern life. Basic planning is essential in attaining our long-range goals. What we plan and do today affects the shape of events for years to come.

An outstanding example of the kind of present and emerging problem to which I have referred, and which calls for the kind of leadership I have described, is that of our great metropolitan areas. I view this complex problem as a major challenge of today. A number of specific recommendations in this Message are directed toward the solution of various aspects of the metropolitan problem.

In recent weeks I have sought to lay the foundation for exercising the Executive Branch leadership that our State so urgently needs. I have already made appointments to 32 key offices. These are men and women of the highest ability and integrity. They will participate in the formulation and recommendation of policy with respect to their particular areas of responsibility, and I plan to meet with them as a group on a regular basis.

Turning now to those matters requiring your particular attention, I should like to discuss with you the major concerns of our State in four parts:

Our fiscal affairs,

Our economy,

Individual and family life, and

The administration of our laws.

I recognize the important work that is being done through your committees in these various fields. My Administration will look forward to working with you in developing sound policies and programs in these areas.

PART I

OUR FISCAL AFFAIRS

New York's first urgent need is to put its financial house in order.

The fiscal affairs of the State are in a serious condition of deterioration. In the last four years, State expenditures have risen by 46% while revenues have risen only 35%. In the last two years it has spent far beyond its income. Deficits during this period have been avoided only by the use of bond funds and by drawing on the reserves of the Capital Construction Fund of the State.

In the current fiscal year which started last April, despite the use of \$115 million of bond funds, it appears that the State's outgo will exceed its total income by more than \$90 million. The financing of this deficit will nearly exhaust the available resources of the Capital Construction Fund of the State.

Clearly, the State cannot continue this course without fiscal disaster. In correcting the situation, we have to recognize, on the one hand, the already heavy tax burden, and on the other, growing needs in terms of education, public works and social services. Each State program must be reviewed and evaluated with great care as to its original purpose, today's requirements and the extent to which its objectives have been achieved.

I have already initiated a review of State programs, to be conducted under the direction of the Budget Director in cooperation with agency heads. I will insist that every possible economy be made, consistent with the rendition of essential services to the people. I will insist on the most scrupulous care in the expenditure of State funds.

In reviewing the budget requests of the various departments and agencies of the State government for the fiscal year 1959-60, my Administration has reduced these requests by some \$50 million and by some 9,000 requested but non-essential new jobs.

Even with these reductions in budget requests, and even if we use as much as \$150 million of borrowing previously authorized by the people of the State, according to preliminary estimates the operating deficit for the forthcoming fiscal year is likely to be at least \$230 million. The estimated expenditures on which this figure is based do not include any major new programs of my Administration.

Sixty-one per cent of the State's general fund expenditures is returned to the localities to help support schools, public health services, child welfare programs, assistance to our needy aged, roads, and for other important purposes. These are the vital human needs of our families that cannot be ignored. We must face the fact that our steadily rising population will, under the terms of State aid laws already in effect, result in constantly increasing State expenditures.

The time is overdue for facing fiscal realities and making hard decisions. It is imperative that sufficient revenues be collected to meet the expenditures of State government.

The Constitution of the State makes a balanced budget mandatory, and the need for additional revenues is immediate. I will present to the Legislature my recommendations for raising these revenues. Much as we deplore the facts, conditions require additional tax revenues now.

The situation confronting us calls for forthright action. A sound State fiscal structure is basic to our economic and social progress.

Over the long run, increased State expenditures can and should be financed by an expanding State economy, which will produce more job opportunities, greater income and increasing revenues for government under a stable tax structure.

PART II

AN EXPANDING STATE ECONOMY

The well-being of the people of New York depends on the vitality and growth of our State's economy. A vigorous and growing private economy is the basic source of jobs and incomes. As the rate of economic growth increases, so also will increase the number of job opportunities and the opportunities for better earnings.

These principles are fundamental; but they are often overlooked in the formulation of public policy and in the administration of State government.

The facts demonstrate that our State has been failing to keep pace with the economic growth trend of the rest of the nation. Further, it is lagging behind the income growth rate of most of our neighboring states. Business and industry representing thousands of jobs have left for other states.

It is our responsibility to keep the people fully informed of these facts and to map policies aimed at creating a favorable climate for job opportunities, reversing the trend of economic exodus, encouraging the expansion of existing business and attracting new business and industry.

The elements of a favorable climate for economic expansion include:

- Recognition of the fundamental identity of the interest of business and labor in economic growth.
- Stability in labor relations, supported by responsible and progressive policies on the part of labor and management.
- A fair tax structure that will provide maximum encouragement to growth.
- Sound and fair administration of social insurance laws, aimed at carrying out the legislative intent of the programs while at the same time preventing abuses.
- An adequate and healthy transportation and commuter system.
- Adequate development of power, including nuclear energy.
- Effective development of natural resources, including particularly conservation of water resources.
- Active promotion of the State's recreation resources, including its many beautiful parks, resort areas and other tourist attractions.
- Active support by all the agencies of government of policies calculated to create the best possible climate for job opportunities and economic growth.

1. Steps To Encourage Expansion of Business, Industry and Agriculture

(a) *Commission on Economic Expansion*

My first recommendation with respect to our economy is the immediate adoption of legislation to create a Commission on Economic Expansion, consisting of 15 members, to assist me in developing a climate for more and better job opportunities. The Commission will be representative of business, industry, labor, agriculture, the public and the Legislature. It will be charged with searching out the specific causes of our economic growth lag and suggesting measures for revitalizing the State's economy.

The spearhead in the drive for more jobs and better incomes, through expanded business and industry, will be a reinvigorated Department of Commerce. That Department will also assist me in coordinating the activities of the various departments of government which are concerned with problems of our economy. It will, in addition, intensify efforts to attract an increased resort and tourist trade.

(b) *Review of tax structure*

I shall inaugurate a full-scale review of the tax structure of the State for the purpose of ascertaining whether revisions in our tax laws are needed for maximum encouragement of economic growth. This study will be conducted by a group of outstandingly qualified individuals.

(c) *Small business*

My Administration will give special attention to the problems of small business. In line with this objective, we will seek to simplify and consolidate the various reports, forms and procedures required by the State government for the launching or carrying on of a business here. We will also make an analysis of the adequacy of credit facilities and the availability of investment capital, with a view toward greater encouragement of small business and new enterprises which are so vital to our economy and to our people.

(d) *Construction*

Construction comprises a very significant segment of the economy. Last year you adopted measures to stimulate greater investment in private housing, and hence greater construction activity. My Administration will seek to develop further proposals having the same objective, namely, fuller employment of the skills of New York's many thousands of workers in the building trades and the field of heavy construction. A more rapid general expansion of business and industry in New York would go far to achieve this result.

(e) *Agriculture*

Recognizing the importance of agriculture in the economy of our State, my Administration will work with the Legislature to improve the position of the farmers of New York. I recommend an increase in agricultural research. My Administration will work toward larger markets, increased consumption of fluid milk and other manifest needs of our farmers.

2. Transportation

(a) *Office of Transportation*

A healthy, efficient and economical transportation system, including adequate commuter service, is vital to an expanding economy.

The State must have an overall transportation policy developed in coordination with the Federal government, neighboring states and our own communities. The failure to develop such a policy has led us toward a transportation crisis no less serious than our fiscal situation.

To assist me in developing a coordinated, overall transportation policy, I recommend the immediate adoption of legislation to create a State Office of Transportation in the Executive Department of the State government. This unit, consisting of a director and small staff of experts, would be advisory to the Governor on policy with respect to all forms of transportation. It would work closely with the various elements of the transportation industry and the groups they serve.

The most critical of our present transportation problems is that of our commuter service. The State Office of Transportation will address itself immediately to this problem, working in close cooperation with all interested parties.

(b) *Port development*

Port of New York. The Port of New York has always been one of the greatest assets of the State, providing employment for over 430,000 persons in the New York-New Jersey metropolitan area.

It is of critical significance to our State that in the years from 1954 to 1957 the Port of New York's share of the nation's total exports and imports declined by one-third, from 19.1% to 13.3%.

I shall work with the Legislature, the Port of New York Authority, the City of New York, the New Jersey officials and other port interests in seeking ways of halting the downward trend in the use of the New York Port.

Upstate ports. With the opening of the St. Lawrence Seaway, vast new opportunities for trade, jobs, and economic growth present themselves for our port cities along the St. Lawrence River and Great Lakes. We must take advantage of the Seaway to attract new industry and trade to our State.

Steps should be taken to realize the full potentialities of these port cities through improvement of their facilities.

(c) *Highways and roads*

I recommend that we press forward with a comprehensive highway and road-building program, including, among other projects, early completion of the Northway, the North-South Expressway linking the Southern Tier with the St. Lawrence, and the Long Island Expressway. We should also extend the Taconic State Parkway, and accelerate the reconstruction of Route 17 into the Southern Tier Expressway.

I will strive to obtain appropriate Federal reimbursement for Thruway construction costs and appropriate Federal sharing in other interstate highway costs.

Our secondary roads deserve greater attention than they now have. I recommend that the Erwin Town Road program be renewed for another 10 years and its provisions be broadened to permit State sharing in the cost of so-called surface "binder" on additional town roads.

(d) *Airports*

I will see to it that the State takes a more active part in encouraging modernization of our airports to meet the needs of the jet age. Assurance of safe and adequate air transit is of great importance to the State as a whole.

3. **Atomic Energy**

New York should be in the vanguard of states realizing the benefits of atomic energy. Nuclear knowledge should be put to work for the benefit of our people and our industry as rapidly and effectively as possible with due regard for public health and safety.

Last year you passed a bill to establish a nuclear research center

on the Niagara Frontier, but it was vetoed. It would be most appropriate in my view to establish such a center and to affiliate it with the University of Buffalo and the Roswell Park Memorial Institute, which is doing such fine work in cancer research and treatment.

From the point of view of the development of all aspects of atomic energy in our Empire State, the early enactment of a State Atomic Energy Law is essential. I therefore recommend legislation to achieve three basic purposes:

—To establish within the Executive Department, responsible to the Governor, an agency to plan and coordinate atomic development and regulation within the State and to recommend needed changes in State laws.

—To charge this new agency with responsibility within the State for the collection and dissemination of nuclear information, for cooperation with the appropriate atomic agencies of the Federal and other state governments, and for cooperative action with private atomic enterprise.

—To authorize this new agency to sponsor such studies as may be needed to recommend a positive program for the development of atomic energy within the State, including the encouragement of nuclear projects by private industry and the furtherance of nuclear research and education.

4. **Water and Other Natural Resources**

The Legislature has taken leadership in exploring the many complex aspects of our State's water resources. All of us must work together in an effort to develop a broad water resources policy and action program for the State. This should include an aggressive drive toward water conservation and the control of water pollution.

Our State's unmatched Forest Preserve has been wisely surrounded by constitutional safeguards which I will uphold and enforce. I will also support the enlargement of the Forest Preserve; the expansion of the State's reforestation program; and the encouragement of private forestry and the jobs it provides.

My Administration will also vigorously promote the preservation and enhancement of our parks, resort areas, lakes and streams, our wildlife, and all the other great outdoor assets of our State.

5. **The Impact of Federal Defense Spending**

A wholly new dimension has been added to the economic life of this State, as well as that of most other states. This is the factor of Federal defense spending.

On the one hand, Federal defense contracts and installations provide a great stimulus to the economy of our communities. On the other hand, Federal defense contracts for weapons made obsolete by the development of new weapons are and must be subject to cancellation by the Federal Government. These cancellations or closings of installations can have a most severe impact on our communities.

I believe it is the responsibility of our State Government to work

with the Federal Government, business, industry, labor and our communities to devise ways and means of anticipating and coping with this relatively new kind of economic impact. I shall seek your cooperation in evolving practical approaches to this difficult problem.

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The major points I have made in this part of my Message offer the broad outlines of a program for economic expansion. I wish now to discuss the objectives and uses of economic growth.

PART III

INDIVIDUAL AND FAMILY LIFE

Economic growth is not an end in itself. Its true end is to enable the individual to pursue a life of dignity and to develop his own capacities to the maximum potential. Economic growth must, therefore, be effectively translated into individual and family well-being and progress. Full employment is an important element in the achievement of this goal.

An expanding economy affords progressive improvement in the standard of living of the individual and the family both

—directly, through increases in real wages or other employee benefits, and

—indirectly, through support of essential public services.

In this part of my Message I will discuss those areas in which I believe the State should take positive action which will serve to enrich individual and family life in our State.

1. Cultural Development

I have suggested that the ultimate goal of economic growth is individual self-development. By this I mean the fullest possible realization by the individual not only of his material well-being, but also of his spiritual, intellectual and cultural capacities.

I believe our society should afford greater opportunities to the individual for cultural expression, participation and appreciation. In achieving this, New York is in a unique position. Its existing cultural resources are manifold. Throughout the State we have great historic institutions, universities, museums, libraries, symphony orchestras, theatres and schools of the arts. Here persons from all lands pursue intellectual and cultural interests and find outlets for their creativity. This activity represents an amalgam of all of the great cultural traditions of the world.

I believe the State has a responsibility to help expand these cultural resources, to increase their availability, and to encourage the enjoyment and appreciation of them by our people throughout the State.

Today one of the greatest cultural developments of modern times is taking place in our State—the Lincoln Center project in New York City. This is dedicated to the furtherance of music, opera, drama and dance. This significant undertaking will be a source of

inspiration and satisfaction to the people of the State and nation; it is an excellent example of what can be accomplished by private initiative in cooperation with Government.

2. Education

For any people or nation, education means light and strength. For democracy, education is nothing less than lifeblood. For the individual, education is both a source of deep personal satisfaction and, in a material way, an avenue to greatly increased lifetime income.

The challenges to our formal system of education have never been greater than they are today. New frontiers of knowledge; the corresponding needs of society for new talents and skills; the rapid advance of other nations whose philosophies contend with ours on the world scene—these are all a part of the challenge.

In meeting it we must act with awareness that the problems of education are not static, but continuing and growing. We must further accept the fact that the costs of meeting the educational challenge will steadily rise.

(a) *Elementary and secondary education*

Enrollment in New York's elementary and secondary schools will increase by nearly one million in the next decade. This underscores dramatically the urgent need for more teachers and more facilities. The process of expansion must be orderly but rapid. Toward this end I will give all possible support to the work of the Board of Regents and the Education Department.

There are three specific steps I am suggesting for immediate action.

I recommend, first, the continuation of the special additional State aid enacted by your Honorable Bodies last year on a one-year basis. That legislation is providing some \$53 million of additional State aid to our localities in the current school year. The Budget I will present to you includes the necessary funds for carrying out this recommendation.

Second, I will work with the Education Department in ascertaining how the State might expand its technical assistance to school districts to promote high quality school construction at lower costs and to strengthen their educational programs.

Third, I shall institute with the European Department specific procedures for the continuing review of minimum salaries, pensions and all other aspects of the financial security of our teachers.

(b) *Higher education*

Enrollment in higher education in New York will nearly double in the next decade. This sobering fact provides a rough measure of the expansion for which we must plan and act. Our goal should be that, in so far as possible, no student who has the capacity and ambition to attend college is deprived of that opportunity.

New York has outstanding higher education resources, both public and private, which should be mobilized and expanded to take care of this need. There should be a clear plan and program of expansion which will meet this doubling of enrollment.

The development of such a plan requires the close collaboration of many groups: the private colleges and universities, the Trustees and officers of the State University, the municipal colleges of the City of New York, community colleges, the Board of Regents and the Education Department as a whole. I shall do all within my power to help achieve this close collaboration.

In addition to developing a basic plan of expansion, there is need for immediate steps to strengthen higher education. My Budget will include the increased scholarship funds called for by present authorizations and other forms of support for higher education.

At the general election of 1957, the people of our State gave overwhelming approval to a \$250 million bond issue to finance a program of expansion for the State University. I will do everything in my power to facilitate the completion of this construction program with dispatch.

3. Civil Rights

The full development of individual capacities is too often blocked by the effects of discrimination on the basis of race, religion or national origin, whether it be subtle or overt. The rejected job-seeker, the excluded home-hunter, the shunned child are tragically still part of our lives.

The achievement of equal opportunity for all will be a major goal of my Administration—to make New York State a shining example to the nation and to the world of our faith in freedom and justice for all men. The State must furnish the leadership, the persuasive force and the basic legislative framework for steady progress.

Specifically, at this time I recommend—and will so provide in my Budget—the strengthening of both the State Commission Against Discrimination and the Civil Rights Bureau in the Attorney General's office.

In addition, I will request the appropriate agencies of government to develop more effective programs for the training and employment of workers in groups heretofore discriminated against to meet the needs of a broader range of businesses and industries. Positive programs with this goal will serve as a two-way avenue of progress in (1) achieving maximum advantage for these groups from economic expansion; and (2) further the process of economic expansion itself, by helping to provide the necessary trained personnel.

4. Social Insurance

Farsighted action by your Honorable Bodies led to a number of social insurance programs to alleviate the impact of loss of earnings arising from certain economic hazards. These include, primarily, unemployment insurance, workmen's compensation and sickness

disability benefits. In the last two sessions of the Legislature these laws were improved and their benefits increased. They should be further strengthened and improved as need is demonstrated.

I intend to recommend legislation in two special areas:

—a program of extended unemployment insurance for workers displaced by automation, coupled with retraining aid; and —coverage under our social insurance programs of regular workers in single-employee businesses. Such an extension of coverage should be accompanied by the simplification and consolidation of forms to which I have referred.

A serious accident or illness to the breadwinner, with accompanying hospitalization and doctors' bills, can imperil the economic future of an entire family and leave a legacy of suffering long after the medical recovery period has passed. State employees and employees of many private firms already have protection—frequently called "major medical" insurance—against this kind of economic disaster. However, in the aggregate only an estimated 10.1% of our workers have such protection. This type of coverage is needed to supplement basic health insurance.

I shall bring together a group of experts to consider the practicability of extending the Disability Benefits Law to encompass this kind of protection for all wage earners in the State. Any such protection should be written by private insurance organizations and nonprofit prepayment plans.

As our social insurance programs expand, it becomes increasingly important that we scrutinize their administration for abuses. An undeserved benefit, if paid, weakens the system for those it was intended to protect and creates resentments and an unfavorable climate for job opportunities. I pledge a careful review of the administration of these programs. I will take all possible steps to eliminate abuses and to obtain strict adherence to the spirit of the law in carrying them out.

5. Employee Retirement Benefits

A major factor in the economic security of workers is the development by employers and employees of retirement, health and welfare programs. Activities in these areas are the responsibility of employers and labor. Nevertheless, in view of the importance to our economy of mobility of the labor force, the State has an interest in these programs.

Because of that interest I will create a representative committee to study the complexities and costs involved in early vesting of pension rights and the possible transferability of such rights for workers who change jobs.

I shall refer later in my Message to this problem as it relates to public employees.

6. Protection of Union Funds

Responsible labor leaders have recognized that financial abuses exist in some unions, and have taken action seeking to eliminate

them in their unions. The AFL-CIO unions have adopted a Code of Ethical Practices, and have taken disciplinary action against violations. But the labor unions cannot do the necessary job themselves in every instance.

I believe that government should support these efforts by legislation. I recommend, therefore, the enactment at this session of legislation to help safeguard union funds. I will consult with responsible labor representatives and work with the Legislature to develop the best form of legislation for dealing with this problem.

7. Health and Private Health Insurance

Many new opportunities have been opened up in the field of public health and mental hygiene. At a later date I shall transmit to your Honorable Bodies a special message relating to State activities in these areas.

Constantly facing us in the field of health is the economic aspect—the payment of the costs of adequate private medical care. To assist in solving this problem, we must encourage improvements in basic health insurance coverage under private plans, such as:

- (a) coverage of costs of doctors' and nursing care outside the hospital; of diagnostic and preventive services; and of mental illnesses;
 - (b) continuation of health insurance benefits for those who have retired; and
 - (c) continuation of protection during periods of unemployment.
- My Administration will work closely with your Honorable Bodies in exploring these areas and recommending legislative action if required.

8. Public Assistance

Changes in Federal law enacted in 1956 have given a new emphasis to the rehabilitative aspects of our public assistance programs. Recent studies and demonstration projects have shown how individualized services can help persons receiving assistance to overcome the conditions which are causing their dependency.

I shall give every possible encouragement to this constructive approach in the field of welfare and at the same time will insist upon careful administration of all public assistance programs.

9. Vocational Rehabilitation; the Physically Handicapped

An integral part of the fields of health and welfare is the process of medical and vocational rehabilitation—the restoration of disabled persons to lives of greater usefulness and self-sufficiency through medical treatment and training. Rehabilitation has incalculable human values. It also yields important economic returns to the individual and to society in the form of earnings, savings in the cost of nursing and other personal care, and savings in public assistance costs.

I will recommend a revision of our present vocational rehabilitation program, designed to facilitate expansion of rehabilitation services and to coordinate them more closely with our workmen's compensation and other State programs. In a special message I will spell out the details of this recommendation.

10. Older Persons

For older persons, advances must be made in programs of employment, retirement income, health, housing and recreation. The activities of all the Departments and agencies of the State Government will be coordinated from the Governor's office to help achieve this. Numerous recommendations of this Message will directly benefit older persons.

A significant part of the strengthening of the State Commission Against Discrimination should be devoted to more vigorous administration of the law enacted by your Honorable Bodies last year relating to discrimination on the basis of age.

11. Child Welfare

Child welfare programs should be given continuous attention to the end that they meet current needs. The State must work actively with localities and private agencies to help assure effective child welfare case work services, including counseling, referral, protective, homemaker and other services; foster care; adoptive services; and other child health and welfare programs.

12. Juvenile Delinquency

There has been a steady increase in recent years in arrests of youths for major crimes—both in the City of New York and upstate. Juvenile delinquency is one of the most serious social problems in our State today. Nevertheless, we should keep in mind that the overwhelming majority of our youth are fine and responsible citizens.

Through our State agencies, I will seek to give leadership in mobilizing all the forces of our communities—the family, the church, the school, public officials, social agencies and civic groups—to help reduce the incidence of delinquency. Particular emphasis should be placed on early identification, especially in schools, and on prevention, through creating a challenge and purpose for youth. Recreation, counseling and other programs can help achieve this.

We should simultaneously work to improve probation and parole services and the rehabilitative work of our correctional institutions. I will do everything possible to encourage all localities to make the program improvements entitling them to the State aid for probation services which you have so wisely provided.

13. Housing

It is estimated that some 700,000 New York families are living in substandard housing. These families are almost entirely in the low-

and middle-income categories. This housing problem is inextricably bound up in the overall problem of our metropolitan areas.

There are several respects in which we can and must move promptly to improve housing conditions for our citizens.

First, I will assure vigorous administration of the additional funds for public housing and for private middle-income housing which were authorized by the housing bond propositions on the ballot last fall.

Second, I shall designate a task force to devise measures for stimulating a major flow of private capital in the field of middle-income housing in urban and metropolitan areas.

Third, I recommend the immediate enactment of legislation to carry out that portion of the propositions which authorize funds for State participation in local urban renewal programs. Heretofore, urban renewal has been primarily a subject of Federal-local action, without State participation.

Fourth, the State should vigorously promote techniques for rehabilitation of run-down neighborhoods. We should recognize that new construction cannot possibly meet the full needs represented by the number of substandard dwelling units in the State today.

In carrying out these programs and policies, we should continuously emphasize the special housing needs of older persons. An increasing number of retired couples and single persons is placing special demands on our planning for the future in the field of housing.

14. Rent Control

Where continued housing shortages persist, and as long as they persist, the continuation of rent control is imperative. I recommend such continuation. I shall also recommend in a special message the closing of certain loopholes in the law.

15. Consumer Protection and Education

Deceptive and fraudulent practices in the sale of goods and the furnishing of services cost the consumer millions of dollars each year and do incalculable harm to the legitimate businessman who deals with the public with integrity.

We must undertake, through active law enforcement, to drive out of business that unscrupulous segment which preys upon the consumer in his every day consumption of products and services. In addition, broad educational programs must be carried on which will enable the consumer to recognize and thus to avoid the schemes and devices used by unprincipled operators.

My Administration will move actively to achieve these ends.

16. Civil Defense

I intend to give special attention to the important evolving civil defense needs of the State and to make recommendations at an

appropriate time to the Legislature. My Administration will work closely with the Federal Government in the strengthening of our civil defense preparedness.

PART IV

THE ADMINISTRATION OF OUR LAWS

The processes of government are as significant as the substance of our laws in effecting the objectives of good government itself.

Effective and efficient governmental processes are attained only through daily effort and attention. Nevertheless, there are times when government needs a much wider review and revision of its structure and organization—in the interests of economy, justice and the proper service of the people. I believe many aspects of New York's government are in need of such a review today.

There are six particular areas in which I propose action at this time:

1. Executive Branch Review

With respect to the Executive Branch, I have initiated a study of its entire structure, with a view toward reorganization to achieve greater efficiency, economy and improved services. There has been no such review for three decades.

2. Office of Local Government

The operation of New York's State government cannot be viewed in proper perspective without considering local government as well. We have a strong tradition of local self-determination and administration which demands the closest teamwork and cooperation between the two areas of government.

In order that the Executive Branch may more effectively coordinate its services and information for the benefit of local government, I recommend the adoption of legislation to create an Office of Local Government within the Executive Department. This unit would provide a focal point for achieving more effective and efficient State-local relations. It would also be of great assistance in helping to formulate policy with respect to metropolitan problems. It would encourage cooperative performance of governmental services by municipalities.

3. Civil Service

Our State could not function without the dedicated and loyal service of its civil servants. Proper administration of our laws compels that the State continue to attract and hold able people.

In addition to the opportunity for a career of great usefulness and personal satisfaction, our State employees must have adequate salaries and other employment incentives.

My Administration will give careful consideration to the need for:

improvements in the State Employees Retirement System; a program to help State employees develop their skills and capacities in order to improve their opportunities for promotion; and an increase in supplemental pensions to retired employees so as to relieve hardships due to inflation.

In addition, I will reconstitute the committee headed by the Budget Director which two years ago commenced study of the question of early vesting of rights in the State Employees Retirement System.

4. Crime and Law Enforcement

A fourth vital need is that of strengthening the machinery of law enforcement. The future of our State and the security of our citizens demand that we move with alacrity and determination against organized crime and all criminal elements in our society. Our State, our localities, our business, our workers and our families must be freed from the fear, the harassment and the economic loss wrought by the invisible hand of the underworld.

I shall soon transmit a special message to the Legislature on the subject of crime and law enforcement. This will include recommendations for strengthening the arms of the State in the field of law enforcement.

5. Court Reorganization

A major area for immediate action is that of reorganization and administrative improvement in our court structure. The talents and energies of many public-spirited individuals and groups have been devoted to the cause of court reorganization in recent years.

I urge that hearings be held promptly on various plans which have been or will be offered. I urge your Honorable Bodies to give the highest priority to passing at this session of the Legislature a Constitutional amendment to permit effective court reorganization.

6. Constitutional Revision

Finally, there is much that can be done to improve the functioning of government by modernizing and simplifying the structure of our Constitution. I recommend, therefore, that the Legislature reconstitute the present Special Legislative Committee on the Revision and Simplification of the Constitution into a Commission, and that every encouragement be given to the furtherance of its work.

With full executive and legislative support, the Commission should find it possible to complete its recommendations for Constitutional amendment in time to permit action at this and the next session of the Legislature.

CONCLUSION

The problems I have outlined constitute a tremendous challenge for all of us.

We can make the most rapid progress toward their solution through a maximum of executive-legislative cooperation. I dedicate myself wholeheartedly to this end. I look forward to working closely with all of you in serving the 16 million people who have placed their trust in us.

A spirit of objective study and painstaking endeavor should guide our actions.

With the help of Almighty God, may we serve diligently and well together to bring about the better future to which the people of our great State aspire.

(Signed) NELSON A. ROCKEFELLER

Transmitting the Executive Budget and Recommended Appropriations for 1959-1960

STATE OF NEW YORK—EXECUTIVE CHAMBER

ALBANY, February 2, 1959

To the Legislature:

The State of New York today is faced with the most serious fiscal problem in more than a generation. This budget reflects the critical condition.

I propose that we take steps which are necessary in the light of the realities confronting us. We must face our obligation to make difficult decisions, no matter how distasteful they may be. Our purpose is to achieve maximum economy, consistent with the laws and best interests of the people of our State, and a return to sound financial policies and practices for our State government.

The expenditures required in this budget are largely the direct results of laws enacted and administrative decisions made months and years ago. These laws, over the years, have reflected the responsiveness of your Honorable Bodies to the needs and the aspirations of the people. Translated into meaningful terms for individuals and families in our State, these expenditures mean State support of our local schools, scholarships for college students, assistance to the needy, both young and old, care and treatment of the mentally ill and research in these and other diseases, new construction—the new facilities required at our State hospitals and institutions as well as the colleges of the State University to enable them to play their part in meeting the challenge for higher education and to build the modern highways our highly complex society demands.

The revenue measures that I propose face the facts. Over the past four years, State expenditures have increased by about 50 per cent but State income has increased by only about 33 per cent. The gap between income and expenditures has widened seriously. In the fiscal year ahead, the gap will be even larger, unless corrective steps are taken. These I propose we take.

These must be our objectives:

Maximum efficiency and economy.