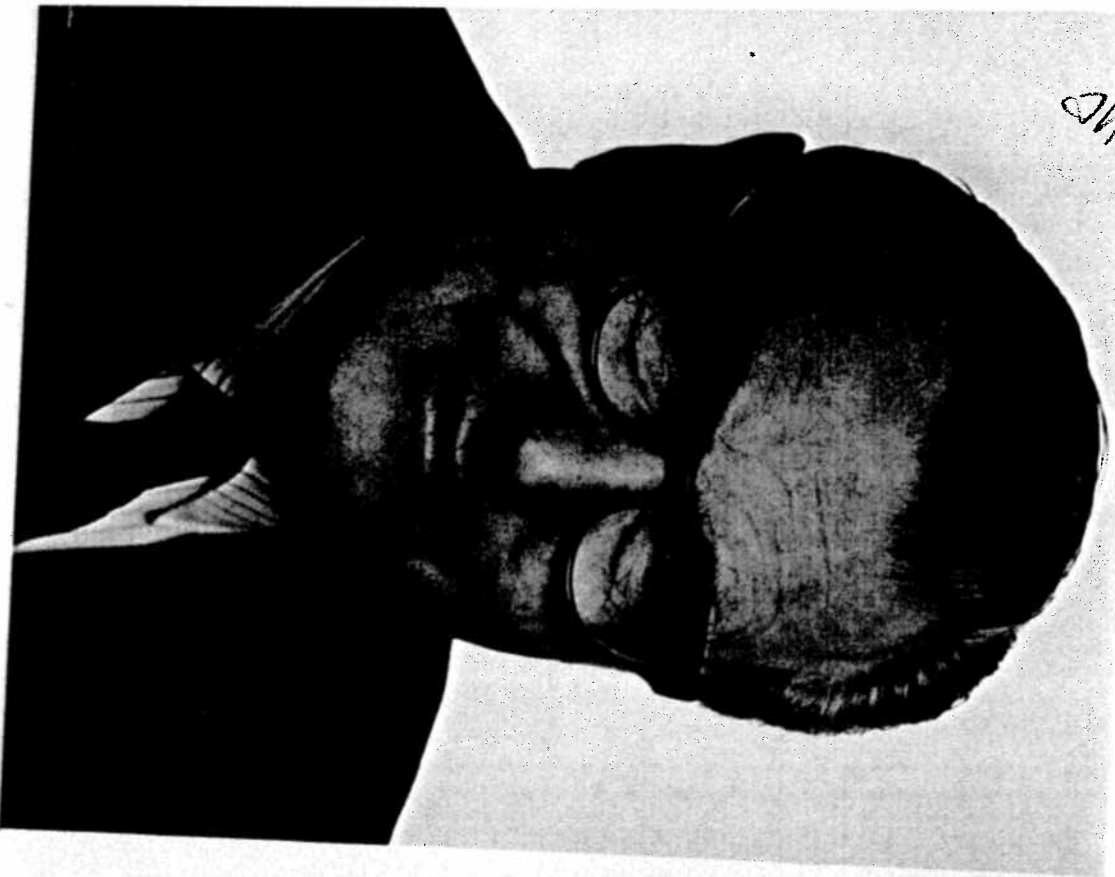


3
Shirley



STATE OF NEW YORK

PUBLIC PAPERS

of

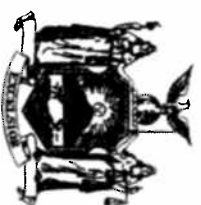
NELSON A. ROCKEFELLER

FIFTY-THIRD GOVERNOR

of the

STATE OF NEW YORK

1973



I

MESSAGES TO THE LEGISLATURE

Regular Session—Convened January 3—Adjourned May 27

ANNUAL MESSAGE

STATE OF NEW YORK—EXECUTIVE CHAMBER

Albany, January 3, 1973

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

I. *THE MODERN STATE IN A CHANGING WORLD*

First, congratulations to all the members of the Legislature returned to office by the people last Fall, and a warm welcome and best wishes to the large number of new legislators here today on Capitol Hill. You number 53, to be exact, and that is over 25 per cent of the total Senate and Assembly membership.

This new beginning assumes a special importance at this time, for this is a period in which we as a people and as a State confront vast change, and in which we must conform our institutions of government to the new realities.

The effectiveness and ability of our society to provide the opportunity for fulfillment of the people's aspirations, to provide the stable framework within which they can live in peace and security, is being challenged by lawlessness and drugs and by the inertia and unresponsiveness of swollen bureaucracies and vested interests.

We must take bold and decisive steps to meet these challenges if our free society is to weather this period of trial.

So often, we are so focused on protecting the rights of the individual involved in an affront to society that we tend to lose sight of our paramount responsibility—to protect society itself.

I have just completed a series of 11 open Town Meetings at which I listened to the people's concerns.

In this Message I will make recommendations to your Honorable Bodies which, in my considered judgment, reflect the deep concerns of the people and are essential at this time.

Because we are dealing with huge social as well as economic problems—the education of millions of young people; helping hundreds of thousands of the aged, sick, disabled and poor; treating additional

hundreds of thousands of the mentally disabled; providing day care centers for children; and operating the courts and huge programs for the rehabilitation of those caught in the tragedy of drug abuse—government has developed correspondingly large organizations to carry out these services.

But as these bureaucracies grew, in order to attract and protect able men and women in government services, they were given greater job protection through civil service and, more recently, the right to organize and bargain collectively.

With these rights and greater protections, there is, of course, a greater responsibility to the public they serve.

But with job tenure extended effectively to the individual's working lifetime in many cases, and with generous pension plans, the tendency within these protected bureaucracies, in too many instances, has, unfortunately, been toward less and less responsiveness not only to administrative direction but even to the public they serve.

Thus it has become vastly more difficult to maintain the kind of creative tensions, the productive stresses, and the direction and supervision that result in quality service.

The citizen is understandably becoming increasingly frustrated as huge public investments of his hard-earned tax dollars do not appear to produce a correspondingly high level of efficient and economical public services or even courteous services in some instances.

These reactions were expressed time and again during the course of the 11 Town Meetings I recently completed around the State.

It is essential to build more responsive and creative approaches to providing needed services and, at the same time, more responsible supervision over those involved in the delivery of services.

We must set higher standards of performance for the protection of life and property, higher standards for the quality of services delivered to the people, and see to it that those standards are carried out. The people have a right to expect this—the taxpayers demand it—and government has an obligation to provide it.

Another important facet of the problem causing public loss of confidence in government in this period of high taxes and tight money is the fact that we have too many policy-setting bodies—public and quasi-public—making recommendations for huge new government programs without any responsibility or interest in where the money is going to come from.

Too often, their recommendations are made without consideration of the capacity of State and local governments to finance them or the ability of the taxpayer to pay for them.

Too often, such bodies fail to realize that New York State at the present time has the highest combined state and local taxes in the

Country—and we are already in serious danger of adversely affecting our competitive position with respect to other states.

This, in turn, goes to the very heart of our ability to encourage business and industry to locate and expand in New York State in order that there may be a constant increase in the number and quality of job opportunities for the men and women of this State—which in turn is basic to their self-sufficiency, independence and ability to do for their families.

The danger of recommendations for expanded social programs which cannot be financed because there are no funds is that they mislead the people.

They raise unrealistic expectations.

Then, when those expectations go unfulfilled, the resulting disillusionment and bitterness contribute to the overall decline of public confidence in government.

It may well be that the concepts lying behind our present programs and the institutions to carry them out have lost some of their relevance, some of their capacity to meet our goals in relation to the changing problems of today.

We must face up to this reality. Therefore, we must re-examine our approaches and develop new concepts which will permit us to reshape our programs to serve the people better.

In order to get a proper perspective on the situation we face today, it might be helpful to review very briefly the evolution of this administration in respect to the handling of these questions in the past 14 years.

During the early years, your Honorable Bodies and I initiated major new State programs and expanded existing ones in order to carry out the State's responsibilities more effectively.

Simultaneously, we gave local governments broader powers and increased State aid to help them in meeting their own responsibilities.

It was a period of great progress in meeting human needs—and in restoring the Empire State to its traditional preeminence and leadership.

However, as time went by, it became increasingly evident that the State and its local governments were rapidly reaching the point of diminishing returns in that the costs of social programs were exhausting our State and local tax revenue sources, while, at the same time, the Federal government was taking larger and larger amounts of money from our people through the fast-growing Federal income tax.

To make matters worse, our state tax structure was getting out of line with that of most other states, particularly in the area of the State income tax.

This situation was made worse by inflation and the fall-off in growth of the economy and our tax revenues.

Therefore, we found ourselves forced to slow 'way down on expenditures and to turn increasingly to the Federal government for a larger percentage of return of the tax dollars they were taking out of our State—\$23 billion annually at the peak.

Other states were doing the same.

As a result, there was a rapid rise and proliferation of Federal categorical grant-in-aid programs.

However, the terms and conditions imposed by these programs increasingly fractionated the responsibility for administration of the programs at the State and local levels and in addition tended unfortunately to exacerbate our fiscal problems through their matching-fund requirements.

These problems led first to the concept of general block grants to take the place of the more than 1,000 Federal categorical grants, and then ultimately to the concept of returning a portion of Federal income tax revenues to state and local governments through Federal Revenue Sharing—unencumbered by the multiplicity of restrictions placed on categorical grants.

This program was finally adopted at the last session of the Congress and signed by President Nixon, who had sponsored the legislation.

However, now the Federal government also unfortunately finds itself in a situation where it too is running out of money and faced with tremendous deficits.

There is no longer any new source of money, no longer any level of government to which we can turn.

Therefore, we as a Nation and as a people have got to face the hard realities of our present fiscal situation.

But, to further complicate our problems, during this same period we have witnessed tremendous changes in the industrial productivity and competitive position of other industrial powers in the world, Europe and Japan in the commercial areas and the Soviet Union in the field of sophisticated military equipment, both in nuclear weapons and in the most advanced equipment for their air, naval and army forces. Thus, political and economic life and job opportunities throughout the United States have become increasingly dependent on developments in and our relations with other parts of the world.

In the face of this situation, we must examine our problems in the context of a highly competitive and rapidly evolving world, both in terms of the private and the public sectors.

Only by finding answers within this larger context can we regain a realistic and meaningful sense of purpose and direction, as a nation, as a state, and as individuals.

Obviously, many of the areas in which change is needed lie beyond our control.

That is why I recently announced a major inquiry into the Role of the Modern State in Our Changing Federal System.

Already, the heads of State agencies, at my request, have prepared papers raising fundamental questions that need to be considered.

Their observations have been thoughtful, imaginative and constructive, and will serve as a basis for a series of studies which could develop new conceptual thinking in relation to the goals of our society, the means of achieving them, and the necessary changes in our institutions. The inquiry will seek to:

- (1) Review our national goals and the philosophy behind them and reappraise the concepts and programs we have developed to carry them out.
- (2) Take a new look at the respective roles, functions and responsibilities of the private sector and of government in achieving our society's objectives.
- (3) Study the relations between nations and the extent to which functions can be shared or carried out by international institutions, public and private, to help accomplish society's objectives.
- (4) In the light of the above findings, the respective roles, functions and responsibilities of the various levels of government will be re-examined to see how they should be changed and whether they might more effectively be discharged by another level—whether federal, state, regional or local.

The more one looks into these subjects, the more one realizes that no state alone—not even a pioneering, resourceful state—can meet the needs of its people and determine its own destiny from within its own borders alone.

National policies have an over-riding impact on the opportunities and well-being of the people. But it doesn't stop there.

International developments—policies and actions thousands of miles distant in other parts of the world—can intimately affect the purchasing habits, the investment policies, the production patterns and the job opportunities of individual New Yorkers and at the same time the capacity of their various levels of government to render these services.

Therefore, the study relating to the Role of the Modern State in Our Changing Federal System has been broadened to cover not only the State's role but also national policies and international relations—

the sum total of which will really determine the quality of life for New Yorkers in Third Century America.

That Third Century of a free America begins in 1976, the 200th anniversary of our Declaration of Independence.

By then, it is imperative that, within our Constitutional framework, all of the institutions in the Nation, private and public, be reviewed and updated to work effectively in fulfilling the increasingly articulate and commonly shared aspirations of all the people.

Traditionally, New York State has been the innovator, the leader, the pacesetter for the Nation.

In this moment of both challenge and opportunity, we must not default on that great heritage.

Let us here in New York take the lead in working with others toward this great goal.

II. ACTIONS WITHIN STATE JURISDICTION TO MEET CHANGING STRUCTURAL NEEDS

Now, I will turn to those things that the State can do, many of them in cooperation with local government. My recommendations in this respect are outlined as follows:

A. Realignment of State and Local Responsibilities

To the maximum degree possible we must simplify the structure of government so that each level does what it can do best—in the interest of efficient and economical service to the people and savings to the taxpayer.

And where multi-level operations are essential, we must develop better coordination of these functions through regional or metropolitan approaches.

Specifically, I shall at this present Session present legislation providing for greater State assumption of responsibilities in health, welfare, higher education and the administration of justice.

The time has come for the State to assume more responsibility for some of those functions of local governments with which the State is in a better position to cope—functions which long since have passed from local governments to states elsewhere in the Country, or which, in many states, never were local functions.

My proposals will follow two approaches:

—Allowing local governments to focus more completely on their basic responsibilities, such as public safety, fire protection and sanitation, by relieving them of administrative burdens which the State can handle better, and;

—Providing closer State attention to the efficiency, economy and quality of services delivered to the people where State taxpayers' money is involved.

1. Relief for Local Governments from Certain Large Administrative Responsibilities

a. Medicaid and Income Maintenance

Medicaid and income maintenance payments represent most of the \$4 billion welfare program in New York State.

The Welfare Inspector General estimates that a high level of ineligibility, mismanagement and fraud in New York City, and to a lesser degree in the rest of the State, caused the loss of tens of millions of dollars last year in welfare and Medicaid.

(1) After careful study, it is my opinion that substantial savings can be achieved by State assumption of these local welfare functions.

—Recommended Action:

Next month I shall submit the details of a recommendation to your Honorable Bodies that the State take over responsibility for administering Medicaid and public assistance payments—while leaving the responsibility for the administration of the various social services at the local level.

(2) Two years ago, your Honorable Bodies passed and I signed a State law that would encourage welfare recipients to find jobs, or training for jobs, by requiring them to pick up welfare checks at a State employment office.

As a by-product of this procedure, thousands of welfare recipients were found to be on the rolls illegally and were removed.

This New York State program was complementary to the Federal WIN program, and in 15 months of operation, 35,000 jobs were found in New York State for welfare recipients.

Unfortunately, a court decision ended the most significant part of this program, on the grounds that the Federal government had forbidden the states to undertake programs to find jobs for federally-aided welfare recipients.

—Recommended Action:

I shall ask members of the New York Congressional delegation to support, with members from other affected states, legislation in Congress that will permit New York and other states to resume their own welfare reform and work incentive programs.

Members of the New York Congressional delegation with whom I have discussed this situation are hopeful that Congress will permit us to resume our program that was simultaneously providing welfare recipients the opportunity for useful employment and also bringing savings in welfare costs. I will also seek modification of Federal regula-

tions that inhibit our ability to keep ineligible off the rolls and reduce excess payments.

b. Education

(1) Primary and Secondary Education

Rapidly rising educational costs have reached a point at which, this year, primary and secondary education costs the taxpayers of New York State more than \$5 billion. During the past year, the Fleischmann Commission has completed the most penetrating, exhaustive and important study in history of primary and secondary education in this State.

Completion of the work of the Fleischmann Commission must now mark the opening of a new education era in this State. This new era must be characterized by a greater educational return on the enormous financial investment in our educational system. Greater efficiency and economy must be achieved through greater use of innovation and technology. We must find relief from inequities, both educational and financial, in our educational system, those affecting both the child and the home-owning taxpayer who provides major financial support of the system.

—Recommended Action:

In a later Message, I will make recommendations for changes which will bring the policy, management and fiscal responsibilities for education closer together.

The Administration will also present a proposal during this session to update the concept relating to local and State financing of the schools, taking into consideration the vitally-important elements of what constitutes a proper expenditure per pupil, and the local as well as the State's capacity to raise the funds. I shall make one other recommendation in connection with our primary and secondary education system in another section of this Message.

My recommendations will be designed to achieve the ultimate purpose of education, which is not only *what we spend*, but *what we are getting in terms of quality education for our children*.

(2) Higher Education

The fastest-growing elements of the post-secondary school system are the locally-sponsored, state-supported community colleges.

—Recommended Action:

I am proposing a plan to increase both State financial and administrative participation in this state-wide network of community colleges—thereby providing better coordination among them in terms of our overall post-secondary education goals while preserving local identity and local participation in the affairs of each college.

When the Keppel Task Force on the Financing of Higher Education completes its work later in this Session, I shall submit for

your consideration specific recommendations dealing with the financial problems of private and public higher education. They will be designed to insure an equal educational opportunity beyond high school for every qualified youth regardless of his income.

c. The Court System

Yesterday, the Temporary State Commission on the Courts, after two years of deliberation, presented its recommendations for court reform.

Many other groups have devoted much time to this tremendously important subject.

When all of this material has been reviewed, I will present a detailed Message on this subject.

—Recommended Action:

The recommendations will involve a gradual State takeover of the local share of the costs of the court system.

d. Financing Transferred Functions

In order to make possible now the immediate administrative advantages and to get the benefit of long-term financial relief for local governments, wherever there is a transfer of responsibility to the State level, there will be a corresponding transfer of revenues to that level, producing a financial "wash." Thus, no level of government would gain or lose funds in the first year, but in future years, the State would be responsible for meeting the growth of costs for performing the functions in question.

2. Closer Supervision of State-Supported Services

In 1970, we launched a significant experiment to uncover and correct corruption and bad management in the administration of welfare programs by creating the Office of Inspector General of Welfare charged with rooting out fraud and mismanagement in that vastly expensive government operation.

My appointee to that post was Mr. George Berlinger, a former member and vice-chairman of the State Board of Social Welfare.

Mr. Berlinger has provided for all of us another inspiring example of what can be accomplished by highly-motivated, total dedication of time and talent in the public interest.

It is no overstatement to observe that since he began his surveillance, Inspector General Berlinger and his staff have transformed the welfare climate.

By drawing attention to and dramatizing the unacceptable percentages of ineligible on the rolls, the cases of flagrant fraud and evidence of slipshod administration, the Inspector General has begun to make welfare administrators more management-conscious, dissuaded would-be cheaters, and let the taxpayer know that his interests are being zealously guarded.

Abuses of social programs invariably reflect disadvantageously on deserving recipients. It follows, then, that the elimination of frauds and cheats benefits both those deserving fellow citizens for whom the programs exist and the taxpayers who foot the bill.

The time has come to extend this approach to other areas which are major consumers of the taxpayer's dollar. I therefore shall propose:

a. An Inspector General for Primary and Secondary Education

Primary and secondary education deals with our most precious asset, our hope for the future—our children.

It therefore is understandable and appropriate that we consistently have dedicated more State and local tax dollars to primary and secondary education than to any other single budgetary item.

By the same token, as taxpayers and as parents, the people have a right to expect high quality education for their children and full value for their educational tax dollars.

Educational policy in New York State is entirely under jurisdiction of the Regents.

However, your Honorable Bodies and I must take responsibility for determining and imposing the taxes to provide the State's dollars spent for this purpose—but we can no longer avoid having some direct share of the responsibility for determining how those taxes are spent.

The demand for more and more school funds is increasing—but, in the words of the Fleischmann Commission: "The time has come for New York State to make a serious effort to control costs in education. If the pattern of inexorable cost advance continues, resources will be consumed by rising costs and will not be available to improve educational quality."

—Recommended Action:

Establishment of the Office of Education Inspector General in the Executive Department to review performance in relation to expenditures under present programs and to recommend means of improving their effectiveness and efficiency.

Developing means by which these recommendations can be implemented is a separate but important task on which I hope to have specific proposals later.

b. Court Reform

The same kinds of productive tensions that have helped to revitalize the administration of social services and can bring responsibility and dynamism to educational administration could also be extremely helpful in improving the administrative efficiency of the court system and related agencies in the administration of justice.

—Recommended Action:

When I present my proposals on court reform later in the present legislative session, I will also consider the possible usefulness of an Inspector General for the Courts.

B. Regionalization of State Operations Within the State's Eleven Metropolitan Planning Areas

In New York State, during the last decade, we have recognized the region as essential for effective governmental action.

In 1971, eleven metropolitan planning and development regions were designated by the State, and the creation by local governments of corresponding regional planning boards has been successfully encouraged.

1. Common Regional Basis for State Operations

I now intend to move ahead in organizing the State's functional operations on the same basis as the metropolitan regional planning areas set forth in my Executive Order of 1971.

2. State Regional Development Councils

—Recommended Action:

As the first step in building upon these common regions for State planning operations, I am establishing a Regional Development Council for each greater metropolitan area of the State.

Each council will be composed of the various regional administrators of State agencies involved with programs relating to the development and management of physical resources, such as Environmental Conservation, Health, Transportation, Housing and Community Renewal, Urban Development Corporation, Commerce and Parks and Recreation as well as the executives of major State-created regional agencies such as the Metropolitan Transportation Authority and the Niagara Frontier Transportation Authority.

3. Local Regional Advisory Councils

Successful regionalization also requires, however, meaningful input from the people of the regions, and should be accompanied by citizen participation and representation of local interests.

—Recommended Action:

The State regionalization initiatives I have described must be paralleled by the State's appointment of local citizens to advise each of the Regional Development Councils.

This was, in effect, the approach used in coordinating State and local disaster relief efforts in the wake of Hurricane Agnes, last summer.

The most meaningful citizen involvement would, of course, come about through the election of the members of such councils directly by the people. This would be a logical step, particularly for the

Metropolitan area, should the work of the Charter Revision Commission for New York City bring about the elective units of government on a decentralized community basis.

4. *State Coordinating Committee*

It is important to assure a coherent approach from all State agencies involved in the development and management of physical resources and to coordinate the activities of the Regional Development Councils and local advisory councils.

—*Recommended Action:*

I am establishing a State Coordinating Committee, composed of the heads of all State agencies involved in development and management of our physical resources, working with both Federal and local agencies.

C. *Charter Revision in New York City*

Last year, your Honorable Bodies created a Temporary State Charter Revision Commission for New York City and other cities in need of restructuring. I am deeply grateful for the dedication and energy with which the Commission's Chairman, Senator Roy Goodman, and the members of the New York City Charter Revision Commission have undertaken their work.

The Commission has already completed its program of 50 or more highly productive public hearings throughout the City. What these hearings document is that the City's services have deteriorated and that the City's bureaucracy has grown vast, impersonal, and impetrable to the average citizen. There is no community or neighborhood elective government to respond to the people or that is accountable to them.

The individual citizen feels increasingly remote from an overcentralized City government and powerless to make the City responsive to his or her real needs.

The City government must be redesigned to improve the quality and delivery of services, to make it more responsive to the people, and to broaden and encourage genuine opportunities for the citizen to participate in representative local government—in brief to bring government closer to the people. To that end, we look forward to the final recommendations of the Temporary State Charter Revision Commission for New York City.

III. *ACTION WITHIN STATE JURISDICTION TO MEET CHANGING PROGRAM NEEDS*

I will now turn to other major program recommendations.

A. *Crime and Narcotics*

Virtually every poll of public concerns documents that the number one, growing concern of the American people is crime and drugs—

coupled with an all-pervasive fear for the safety of their person and their property.

This reign of fear cannot be tolerated.

The law-abiding people of this State have the right to expect tougher and more effective action from their elected leaders to protect them from lawlessness and crime.

People are terrorized by the continued prevalence of narcotic addiction and the crime and human destruction it breeds.

People are outraged by the existence of corruption within the very law enforcement system itself.

People have lost patience with courts that dally and delay in bringing criminal elements to justice.

People are baffled and disheartened by revolving-door criminal justice and a correctional system that doesn't seem to correct.

I will now deal with each of these areas separately.

1. *Narcotics*

This is a time for brutal honesty regarding narcotics addiction.

In this State, we have tried every possible approach to stop addiction and save the addict through education and treatment—hoping that we could rid society of this disease and drastically reduce mugging on the streets and robbing in the homes.

We have allocated over \$1 billion to every form of education against drugs and treatment of the addict through commitment, therapy, and rehabilitation.

But let's be frank—let's "tell it like it is":

We have achieved very little permanent rehabilitation—and have found no cure.

a. *Need for Effective Deterrence to the Pushing of Hard Drugs*

Lots of wonderful young people have died—and hundreds of thousands more have been and are being crippled for life.

Addiction has kept on growing.

A rising percentage of our high school and college students, from every background and economic level, have become involved, whether as victims or pushers or both.

The crime, the muggings, the robberies, the murders associated with addiction continue to spread a reign of terror.

Whole neighborhoods have been as effectively destroyed by addicts as by an invading army.

We face the risk of undermining our will as a people—and the ultimate destruction of our society as a whole.

This has to stop.

This is going to stop.

Frankly, all the laws we now have on the books won't work to deter the pusher of drugs.

The police are frustrated by suspended sentences and plea bargaining in the courts for those they have arrested—and therefore are discouraged from effectively enforcing the law.

The prosecutors are overwhelmed by the backlog of cases and settle for pleas of guilty on reduced charges—rather than press for a conviction on more serious charges that would have a real deterrent effect—because the latter would result in long drawn-out jury trials.

And the judges, weighed down by calendars running months and years behind, hand out suspended sentences or go along with pleas of guilty to minor offenses that result in sentences of only six months to a year.

We have this choice:

—Either we can go on as we have been, with little real hope of changing the present trend;

—Or we must take those stern measures that, I have become convinced, common sense demands.

We must create an effective deterrent to the pushing of the broad spectrum of hard drugs.

In my opinion, society has no alternatives.

I therefore am proposing the following program for dealing with the illegal pushers of drugs including heroin, amphetamines, LSD, hashish and other dangerous drugs.

(1) Life Prison Sentences for all Pushers

The hard drug pusher destroys lives just as surely as and far more cruelly than a cold-blooded killer.

He threatens our society as a whole, whether he engages in large scale trafficking or small-time operations.

—*Recommended Action:*

I, therefore, will ask for legislation making the penalty for *all* illegal trafficking in hard drugs a life sentence in prison.

To close all avenues for escaping the full force of this sentence, the law would forbid acceptance of a plea to a lesser charge, forbid probation, forbid parole and forbid suspension of sentence.

(2) Life Sentence for Violent Crimes by Addicts

In order to deter effectively the violent crimes committed by the addicted, I will in addition:

—*Recommended Action:*

Propose that crimes of violence committed by persons under the influence of hard drugs be punished by life imprisonment. The avenues of escape would similarly be closed.

(3) Removal of Youthful Offender Protections

It is just as important to have maximum deterrents effective against pushers in their late 'teens as against adult pushers, since both destroy youth and corrupt society.

—*Recommended Action:*

Therefore, I will submit legislation removing persons charged with illegal trafficking in hard drugs from the protections of the youthful offender law, except that they will be eligible for parole consideration after 15 years' imprisonment.

(4) Payment for Information on Hard Drug Pushers

If these deterrents are to be effective, there is need to create incentives to support the law, in order to counteract the incentives which already exist to subvert the law—particularly in the field of drugs.

—*Recommended Action:*

Therefore, I will propose the payment of a \$1,000 State cash reward for the person or persons providing information leading to the apprehension and conviction of each hard drug pusher.

For the first time, there would thus be a statewide cash incentive to work for society instead of against it. This reward also could wreak havoc within the ranks of pushers—for they will live in constant fear from never knowing who is buying drugs for evidence to turn them in.

(5) 100 Percent Tax on Drug Pusher Assets

The most difficult elements to catch in the whole chain of illegal drug traffic operations are the so-called "masterminds"—the big profiteers of human misery.

—*Recommended Action:*

To assist in this effort, I will recommend a 100 percent State tax on all monies used in or derived from the illegal traffic in narcotics as an additional legal device for prosecuting hard drug pushers.

Further, I will ask for an escheat provision under which any property acquired wholly or in part from illegal trafficking in hard drugs will be subject to seizure by the State.

This deterrent will include swift confiscation of pushers' automobiles as well.

(6) *Expanded Narcotics Courts*

This program must not be held up or made ineffective by delayed action in overcrowded courts.

—*Recommended Action:*

Appropriate special State funds to expand the special Narcotics Court structure we set up in New York City with the help of Federal funds, and create wherever necessary similar special Narcotics Courts in the rest of the State.

These are tough laws.

These are drastic measures.

But I am thoroughly convinced, after trying everything else, that nothing less will do.

b. *Need for Changes in the Narcotics Addiction Control Laws*

The New York State Narcotics Addiction Control Commission, under the able direction of Chairman Howard Jones, is doing an outstanding job of caring for the growing number of those who have been crippled, mentally and physically, through drug addiction.

This is especially true considering the enormity of the drug problem.

These programs will continue, and I am proposing additional needed legislation as follows:

—*Recommended Action:*

—Extend the Commission's authority to make a civil commitment of an addict to include habitual use of amphetamines, barbiturates, LSD, hashish and other dangerous drugs not now within the Commission's scope.

—Give the court the choice of sending an addict convicted of a misdemeanor to jail or to the Narcotics Addiction Control Commission. The court can now only send such persons to the Commission, though many of them have no rehabilitation interest or potential and should instead be imprisoned.

—Give the court the option of placing an addict on probation, with treatment by the Narcotics Addiction Control Commission as a condition of probation.

—Hold in abeyance any indictment for a felony for persons committed to the Narcotics Addiction Control Commission.

—Provide funds for strengthening security in certain of the facilities of the Narcotics Addiction Control Commission.

—Provide funds for expanding drug rehabilitation programs for inmates in state correctional institutions.

2. *Strengthening the Enforcement of Criminal Justice*

There has been tremendous public concern about the rising rate of crime.

There is now a growing concern about the effectiveness of our criminal justice system itself.

In New York City, tragically, there have been indications of widespread corruption in the criminal justice system, as reported by the Knapp Commission.

Based on the recommendations of this Commission, I directed the Attorney General to appoint a Special Prosecutor whose authority superseded the five district attorneys of the City in the criminal justice field.

But even more far-reaching action is needed—through court reform, speeding court cases, and expanded powers for the Statewide Organized Crime Task Force, ably headed by Deputy Attorney General Robert E. Fischer.

I therefore propose the following program:

a. *Court Reform*

As noted earlier, I am considering the possibility of an Inspector General for the Courts and will, in any event, as mentioned earlier in this message, recommend a major program of court reform as soon as possible. It will include the following steps to relieve court congestion.

b. *Relieving Court Congestion to Achieve Swift Justice*

"Justice delayed is justice denied"—this ancient truism is an indictment of today's courts, a telling description of how they often are failing society.

Yet the swiftness of justice can be increased by some fairly simple reforms.

—*Recommended Action:*

(1) Enactment of No-Fault automobile insurance as a means of freeing an estimated 112 judges in the State from hearing auto accident lawsuits so they can handle serious criminal cases which presently are being delayed for years because the courts are overcrowded.

(2) Second passage of a constitutional amendment permitting defendants in criminal proceedings to waive indictment by a grand jury.

(3) Passage of a constitutional amendment permitting prosecutors to proceed in non-capital felonies either on a grand jury indictment or an on information following a preliminary hearing before a court.

(4) Passage of a constitutional amendment permitting the Legislature to reduce from 12 to 6 the number of jurors required for the trial of crimes prosecuted by indictment, except for crimes punishable by death or life imprisonment.

(5) Passage of a bill to provide that the court rather than trial counsel will examine prospective jurors—a procedure that has worked well in Federal courts for many years.

c. Expanded Powers for the Statewide Prosecutor

The efforts of the existing Statewide Organized Crime Task Force have been hampered by lack of adequate power.

If we are to fight organized crime effectively, if we are to restore public confidence in the honesty and effectiveness of our system of criminal justice, we must leave no stone unturned.

—Recommended Action:

(1) That the Statewide Organized Crime Task Force be given jurisdiction over crimes of corruption in the administration of criminal justice.

(2) That that Task Force not only have concurrent jurisdiction with local prosecutors in this field, but also have authority to appear before local grand juries without approval by local prosecutors.

(3) That regional and statewide grand juries be created to weigh evidence of any crimes crossing county lines, with the Task Force having jurisdiction in such cases.

(4) That the Statewide Organized Crime Task Force be given authority to examine State tax returns in connection with its general responsibilities for prosecuting crimes, and that penalties for willful tax evasion involving a specific intent to do so be increased from a Class A misdemeanor to a Class E felony.

d. Disciplinary Action Against Dishonest Policemen

One of the major flaws in the present police retirement law is a provision which can benefit a dishonest policeman while penalizing the vast majority of policemen who are honest.

I refer to the condition under which only 30 days are allowed to carry out a disciplinary proceeding against a policeman who has submitted his retirement papers.

In the case of an honest officer facing charges, this means a hurried retirement in order to protect his retirement benefits, or worse, a hurried proceeding that may jeopardize his chances for paid retirement.

But in the case of a dishonest officer, where the police department is unwilling or unable to conclude a disciplinary proceeding in 30 days, this dishonest officer may be able to resign and walk off with full retirement benefits.

—Recommended Action:

Legislation under which there will be adequate time to carry out a disciplinary proceeding against a police officer charged with misconduct before that officer can retire and receive pension benefits.

3. Additional Measures to Protect Persons and Property

a. Strengthened Hand Gun Control

The present regulation of hand guns in New York State is disgracefully inadequate and uneven.

Year after year, I have asked your Honorable Bodies to strengthen the State's hand gun regulations. Unfortunately, my proposals have failed of enactment while the tragic toll of crime, death and injury from hand guns has continued to mount.

—Recommended Action:

Propose a uniform hand gun regulation bill. I cannot see how any reasonable, law-abiding citizen could oppose it. The time for action is long past due.

b. Waterfront Pier Security

To improve cargo security on the New York-New Jersey waterfront, I recommend legislation to increase the powers of the Waterfront Commission to:

—Recommended Action:

(1) Regulate access to waterfront terminal areas;

(2) License port watchmen;

(3) Designate secure areas for waterfront freight; and

(4) Inspect vehicles within secure areas.

4. Correctional Services

A major program of correctional reform within the framework of laws and supported by the additional funds recommended by the Select Committee on Correctional Institutions under the chairmanship of recently elected Court of Appeals Judge Hugh R. Jones, and enacted by your Honorable Bodies, is now in progress and will be reported in detail to your Honorable Bodies shortly.

In addition, based on the recommendations of the Jones Committee, I will submit to your Honorable Bodies for required second passage a constitutional amendment to eliminate the requirement that the Commissioner of Correctional Services serve as chairman of the State Commission of Correction.

—Recommended Action:

Legislation to transfer the Correction Commission from the Department of Correctional Services to the Executive Department, where it will be able to function with complete independence.

B. *Natural Resources*

I have important legislation to recommend regarding our natural resources in the following areas: preservation of the Adirondacks, industrial waste controls, solid waste disposal, Barge Canal Parks and the State's invaluable wetlands.

The people of this State signified their overwhelming support for strong measures to protect and enhance our natural resources by giving their approval to the Environmental Quality Bond Act of 1972. With the funds thus made available, New York State will be able to continue its pioneering efforts to achieve pure waters throughout the State, to clean up the air, to preserve irreplaceable natural and scenic resources and to provide additional recreational opportunities for all.

This Administration is pledged to continuing these efforts on all fronts. We shall work vigorously in Washington to obtain the Federal funding promised for these efforts—and to secure reasonable and rational Federal anti-pollution standards.

In addition, I will recommend a number of specific legislative steps to be taken this year.

1. *The Adirondacks*

The Adirondacks represent an irreplaceable and unique treasure for the people of New York State and for posterity. The region's total well-being is threatened by the fractioning of authority over land use planning now in the hands of narrowly perceived interests.

Further development of a hodge-podge, checker-board pattern across the Adirondacks could ruin this natural treasure for the people at large and for posterity. We now have an opportunity to enact a cohesive, overall State program insuring a sensible balance between preservation and development in the Adirondacks.

After a series of studies and recommendations, the State created the Adirondack Park Agency in 1971 and directed it to prepare a land use and development plan for the entire 3.7 million acres of private lands within the Adirondack Park, and to make specific recommendations for its implementation. This action was a clear and vitally necessary call for assertion of the State's right—and responsibility—to insure meaningful, balanced land use planning and guidance within a vast area of critical environmental concern to all of the people of the State.

Public hearings are scheduled to be held from the eighth to the twentieth of this month on the preliminary private land use and development plan for the Adirondack Park and the recommendations for its implementation. The preliminary plan divides the entire private lands within the Park into six broad land use categories. These categories seek to balance the need to protect and preserve the natural resources and open space character of the Park with the needs of the Park's permanent, seasonal and transient populations for growth and service areas and a strong economic base.

The permitted land uses and a guideline for the overall intensity of development for each type of area are proposed in the preliminary plan, together with general and specific standards for development with special additional restrictions applicable to the Park shorelines.

The Adirondack program clearly demonstrates today's approach to necessary and effective land use planning.

—*Recommended Action:*

That the Legislature consider and adopt the recommendations of the Adirondack Park Agency plan.

The New York Times recently observed that "the whole concept of State and regional land-use planning would get an enormous impetus" from the acceptance of the Adirondack Plan and also rightly pointed out that the problem of land use and development is "the number one priority crisis confronting the environmental movement today."

In addition to adoption of a private land use and development plan for the Park, I recommend second passage of two constitutional amendments protecting the boundaries of the Adirondack and Catskill Parks and facilitating the disposition of small, detached Forest Preserve parcels outside those two parks. This will complete action begun by your Honorable Bodies when you gave these amendments first passage.

2. *Industrial Waste Controls*

Industrial waste controls are essential. They often are extremely costly and can jeopardize the economic viability of businesses that must undertake them.

—*Recommended Action:*

Legislation to permit the Job Development Authority to make loans to assist New York State industries in acquiring pollution abatement facilities. Such loans will not only advance our pure water and pure air programs but also will help fulfill the Authority's primary objective of enlarging and preserving job opportunities in the State.

3. *Solid Waste Regulation*

At present, fewer than half of the 821 refuse disposal areas in the State meet the standards set by the State Sanitary Code.

—*Recommended Action:*

Legislation authorizing the Commissioner of Environmental Conservation to regulate construction and operation of solid waste disposal facilities.

4. *Barge Canal Parks*

The Barge Canal System provides a priceless recreational resource as well as an important commercial artery.

—*Recommended Action:*

Appropriation of additional funds, which I am requesting in my Executive Budget, for improved lock maintenance and service and to enable the Office of Parks and Recreation to undertake six demonstration parks and three trails on State lands adjoining the Barge Canal.

5. Wetlands

The State's tidal wetlands, principally on Long Island, are ecologically unique resources of tremendous value to the people of the State, and are therefore a subject of critical State concern. The Environmental Quality Bond Act provides \$18 million for acquisition of 5000 acres of the most vital Long Island wetlands.

But those precious wetlands on Long Island which are not acquired under the Bond Act program must also be protected. Last year I was constrained to disapprove legislation designed to provide such protection because it failed to recognize the need for a balanced approach in which competing social needs are carefully weighed.

—*Recommended Action:*

Legislation providing such balanced protection of these invaluable tidal wetlands on Long Island, which I will offer during this Session.

Non-tidal wetlands are now protected under State law. Passage of this legislation will extend appropriate protections to the State's tidal wetlands.

C. Consumer Protection

There is an ever-growing awareness on the part of both business and the general public as to the importance of consumer legislation.

Attorney General Louis Lefkowitz has been a pioneer in the Nation as well as the State in the development of sound consumer laws. Such laws not only protect the consumer, but also aid the overwhelming majority of honest and reliable merchants against the unfair competition of unscrupulous opportunists who take advantage of unwary and unwitting buyers.

To strengthen the State's already extensive consumer protections available through the Attorney General's Consumer Frauds Bureau and the State Consumer Protection Board, I am setting forth the following recommended actions:

1. Prescription Drugs

The high cost of prescription drugs compounds the misfortune of family illness. To aid the consumer in purchasing prescription medicines I propose the following:

—*Recommended Action:*

Legislation to:

- a. premit pharmacists to advertise prices for prescription drugs,

by eliminating the present rule of the Board of Regents against such advertising;

- b. allow pharmacists to substitute a less expensive generic or other brand name equivalent drug for the brand name drug originally prescribed by a physician, unless the physician has specified that no substitution may be made;

- c. expand the information required on prescription drug labels to include specified information beneficial to the health and safety of the patient;

- d. and require pharmacists to post the price of filling the 150 most frequently prescribed drugs, as listed by the State Board of Pharmacy.

2. Installment Buying

To aid installment buyers I propose the following:

—*Recommended Action:*

Legislation to:

- a. eliminate the unfair "holder-in-due-course" feature of home improvement contracts. This feature presently makes it virtually impossible for the consumer to get satisfaction for faulty work once an installment contract has been sold by a dealer to a third party, such as a bank or finance company;

- b. provide for the recovery by the buyer of penalties against the seller, plus attorney's fees, in the event of a violation of the Retail Installment Sales Act or the Motor Vehicles Retail Installment Sales Act, thereby helping to assure compliance with those acts on the part of sellers and finance companies.

3. Registration of Auto and TV Repairmen

Of all consumer complaints, none are more widespread than those involving incompetent or negligent repair work on automobiles and television sets, often combined with complaints that excessive fees were charged.

—*Recommended Action:*

—Legislation to require that all automobile repair shops be registered with the Commissioner of Motor Vehicles;

—Legislation to require that all television repairmen be registered with the Secretary of State.

In either instance, incompetent work or gross overcharges could lead to loss of the State registration, putting the offending repairmen out of business.

4. Default Judgments Against Debtors

A recent study was conducted in New York City on default judgments, that is, judgments against debtors who fail to appear or be represented in court. This study concluded that two of the principal

reasons for the alarmingly large number of defaults are the inability of a debtor to get easily to the place where the action against him has been commenced, and the fact that a debtor has not been notified that an action is pending against him.

—*Recommended Action:*

Legislative action to:

- Limit the places where a creditor may bring a suit arising out of a consumer credit transaction to either the county where the buyer resides or the county where the purchase was made; and
- Reduce the incidence of fraudulent service of process, commonly called "sewer service," by expanding the proof of service requirements and by requiring professional process servers to maintain records of all persons served by them over a two-year period.

5. Protection of Consumers from Garnishment Abuse

—*Recommended Action:*

Legislation to:

- a. raise from \$30 per week to \$85 per week the amount of wages exempt from a wage assignment, as has already been done with respect to garnishments;
- b. and authorize the Industrial Commissioner to commence an action on behalf of any employee who has been discharged from his employment because a wage assignment or income execution was filed against him.

6. Repeal of the State Fair Trade Law

So-called Fair Trade laws are an affront to the American system of competitive free enterprise.

—*Recommended Action:*

Repeal of the Feld-Crawford Act which enables manufacturers to dictate certain retail prices.

B. Jobs and Protection for the Workers

The cornerstone of a prosperous society is a dynamic economy which produces ever-expanding and steadily-improving job opportunities.

This depends upon a sound competitive free enterprise system, a sound balance between management and labor, free collective bargaining, a spirit of partnership between management and labor, and a realization that their common responsibility is to serve the people as a whole.

We must maintain vigorous economic growth and protect the conditions of workers.

—*Recommended Action:*

1. Job Development Authority

I will submit to your Honorable Bodies for required second passage

a constitutional amendment to increase the effectiveness of the already highly successful Job Development Authority by increasing from 30 to 40 per cent the proportion of project costs that may be financed through JDA loans and to permit machinery, equipment and research and development facilities to be so financed.

2. Occupational Safety and Health Act

Under the Federal Occupational Safety and Health Act of 1970, the State may carry on its own occupational safety and health program subject to approval by the U. S. Department of Labor or relinquish the field of occupational safety and health to the Federal government completely.

Both business and labor have expressed the strong feeling in New York State that greater protection can be afforded workers in a manner more adaptable to the peculiar needs of New York State businesses if the State continues to develop and administer its own program. Actually, New York State has long been active in the occupational safety and health field and can point with pride to one of the best state programs in the nation.

—*Recommended Action:*

This Administration has submitted a proposed plan to the United States Department of Labor for approval and I will submit to your Honorable Bodies the legislation necessary to implement the State plan.

3. Worker Benefits Programs

The strike on the Long Island Railroad is tragic.

It occurred despite the exhaustion of all procedures for settlement under the Federal Railway Labor Act—including a Presidential fact-finding board.

It has continued for weeks despite the offer by management to accept binding arbitration.

In the widening circle of hardship this strike is causing, the strike hurts not only those losing a vital service, but also those whose related businesses and jobs are suffering just as well.

—*Recommended Action:*

This Administration will go to the Federal government, which has jurisdiction over all railroad labor disputes, to urge changes that will end this kind of labor calamity.

We are in the process of making a total review of all unemployment insurance, workmen's compensation, disability and volunteer firemen's benefits rates and coverages in the light of present realities.

At a later date, I will submit a Special Message to your Honorable Bodies dealing with State laws affecting worker benefits programs.

4. *Public Employee Pensions*

The runaway costs of public employee pensions and the plethora of bills providing for additional improvements in those benefits led your Honorable Bodies and this Administration to join in creating the Permanent Commission on Public Employee Pension and Retirement Systems in 1971.

The Commission was assigned among other things the responsibility of reviewing all pensions legislation before its adoption. It is also undertaking to develop a comprehensive new pension program for public employees.

The objectives are to assure adequate retirement income for public employees, enable government to attract and retain competent personnel, and still keep costs to the taxpayer reasonable.

I have been assured by the Commission that it will make its report, including recommendations for major revisions of the retirement systems of the State and its subdivisions, not later than February 1st.

—*Recommended Action:*

I look forward to receiving and reviewing the Commission's report and anticipate making recommendations based on it.

5. *Pensions in Private Employment*

Recent hearings conducted by the U. S. Senate Committee on Labor and Public Welfare under the leadership of New York's senior Senator, Jacob Javits, and Senator Harrison A Williams, Jr., of New Jersey, have disclosed numerous tragic instances in which workers in private industry have seen their pension rights wiped out when they changed jobs, the company employing them either merged with another or went out of business, or for some similar reason.

Senators Javits and Williams are sponsoring corrective legislation on the national scene.

—*Recommended Action:*

Attorney General Lefkowitz first proposed State measures in this field two years ago and will propose similar legislation during this session. I commend these measures to your attention.

6. *Farm Labor*

The minimum wage for farm workers in New York State was last increased in February of 1971 to \$1.50 an hour; for all other workers in the State the current minimum is \$1.85 an hour. Since then, the Consumer Price Index has risen 6 per cent upstate. While the Federal minimum farm wage remains at \$1.30 an hour, both the Senate and the House of Representatives have indicated by legislation not yet completed an intent to increase the Federal minimum substantially.

—*Recommended Action:*

—Submit legislation to establish a State minimum wage for farm workers at \$1.75 an hour, effective January 1, 1974 and to pro-

vide for an automatic increase in the hourly minimum wage in five cent increments up to \$2 an hour effective when the Federal minimum wage reaches those levels.

—Direct the Industrial Commissioner, under this legislation, to modify the existing minimum wage orders to increase the allowances for meals and lodging and the youth rates proportionately to reflect the higher minimum wage and to increase the quality of living conditions in migrant labor camps.

E. *Improved Benefits for the Needy*

1. *Public Assistance and Medicaid Benefits*

Inflation presses most cruelly on the poor. During the past few years of State fiscal crises, needy persons on public assistance and those receiving Medicaid have particularly felt the pinch of rising prices.

The improved economic situation now permits me to recommend a restoration of the 1971 10 per cent cut in benefits for persons in the public assistance categories of Aid-to-Dependent-Children and Home Relief necessitated by the State fiscal crisis, then at its peak.

—*Recommended Action:*

a. Legislation to restore needy recipients to 100 per cent of the State public assistance standard.

b. I am also submitting legislation to repeal cutbacks in Medicaid enacted in 1971. Although the courts have prevented these cutbacks from taking effect, we must take this action, or else, with recent changes in Federal law, the cutbacks would go into effect.

2. *Day Care and Child Care*

A new Federal ceiling imposed by Congress on Social Services programs means that New York State and its local governments will receive only \$220 million in Federal Social services funds for the current fiscal year, as against \$875 million that had been anticipated—a reduction of \$655 million in funds to New York.

This precipitate and unfortunate decision by Congress left no choice but to curtail expansion of some services in the State and impose fees for others.

—*Recommended Action:*

a. Alleviate the impact of the Federal ceiling on local districts as much as possible by passing along \$217 million of the State's \$220 million share. Thus combined Federal and State funds for these programs will closely approximate current levels of aid and will allow for continuation of present overall levels of most services. It is essential, however, that no one program be allowed to grow at the expense of all other programs. For this reason, a special enforcement effort has been launched to monitor local expenditures in day care in order to eliminate a need for more drastic measures—such as a combination of sharply increasing

day care fees for non-welfare families or mandating a flat ceiling on day care spending.

b. To encourage the day care, child care and other programs that are vital to those children in need of care, and to assist welfare recipients to work at useful and productive jobs, I am asking members of the New York delegation in Congress to support, in cooperation with members from other states, legislation to remove the ceiling on funds for those day care and child programs which make it possible for welfare recipients to be gainfully and productively employed.

F. Health and Mental Health

1. State Commission on the Uses and Regulation of Acupuncture

Acupuncture, which appears to offer promising possibilities for the relief of pain, has caught the attention of both the public and the medical profession in recent months. The exploration of acupuncture should be vigorously pursued in order to determine the extent of its potential benefit to the people of New York State and to establish its appropriate uses, indications, effectiveness, and risks.

In response to rising public and professional interest in acupuncture, the New York State Board for Medicine issued a recent position statement that acupuncture as a medical procedure is experimental and must be performed only under the conditions required for human investigation and study.

—*Recommended Action:*

I will appoint a State Commission on the Uses and Regulations of Acupuncture.

The Commission will have responsibility for the collection and evaluation of current scientific and clinical information on the validity of acupuncture as a preventive, diagnostic and therapeutic technique. The Commission will also be charged with assessing the need for necessary legislation specifying the conditions under which acupuncture may be practiced, and the qualifications, training, regulation and licensing of persons permitted to practice acupuncture.

2. Medical Manpower and Health Facilities

A good medical care delivery system must include adequate medical manpower, the range of health facilities, such as hospitals, nursing homes, group practice clinics and other supporting services, all efficiently organized and well-distributed geographically.

In the manpower area, this Administration has taken direct action increasing medical school enrollments substantially. The need for more physicians continues:

—*Recommended Action:*

Increase the amount of State aid to medical and dental schools that expand their enrollments.

Some areas of the State still require additional hospitals. Further, the need continues for more nursing homes as a less costly alternative to hospitalization wherever medically warranted.

—*Recommended Action:*

Establish a separate Medical Care Facilities Finance Agency to speed up the existing state loan programs for the construction and rehabilitation of hospitals, nursing homes and other health facilities.

3. Unified Services for Mental Health

By regional State and local planning, administration and financing of programs for the mentally ill, the mentally retarded and the alcoholic, relative cost considerations can be removed as a factor in determining whether care will be provided in a State or local facility. The choice of program can be made solely on the basis of the most desirable program for the individual.

—*Recommended Action:*

Submit legislation to provide mental health services on a joint regional basis allowing use of the State or local program in the region most suited to the patient's need. Such unified services also will help prevent duplication and improve the integration of State and local services, thus leading to both greater economy and improved quality.

4. Psychiatric Services Under Health Insurance Policies

At the present time, many health insurance policies offer optional coverage for psychiatric care, but they limit such coverage to care provided in general hospitals. This limitation not only restricts the usefulness of psychiatric coverage but also reduces insurance payments to State mental hospitals by as much as \$10 million a year.

—*Recommended Action:*

Submit legislation to assure that those in need of mental health care may have complete freedom of choice under their health insurance policies to choose care in general hospitals, public hospitals or private hospitals.

G. Mass Transportation

New York State has made a major expenditure in capital improvements for mass transportation that now approaches \$1 billion. Yet, as pointed out by the Yunch Commission on mass transportation in the New Jersey-New York-Connecticut metropolitan area, the fare box alone has not and cannot adequately support mass transportation operations, maintenance and improvements.

—*Recommended Action:*

I will again seek Federal operating assistance. I will also submit to your Honorable Bodies previously announced legislation recently adopted in New Jersey to broaden the com-

ment of the Port Authority of New York and New Jersey in the development of mass transportation facilities within the Port District.

H. Housing and Community Development

Probably no problem facing our State and Nation is more serious than the one relating to the lack of adequate housing and community development.

New construction costs no longer have much relation to the available levels of subsidy funds to bring prices within the reach of low-income and lower-middle-income families.

A true solution to this national problem will require a completely new conceptual approach. In the meantime, there are certain things we can do.

1. Housing Rehabilitation

The creation of a separate unit within the Division of Housing and Community Renewal will provide a focus on the significantly different problems encountered in rehabilitation and assure adequate priority attention to this program—for which there are already in excess of 25 applications covering more than 4,500 living units within the City of New York.

The sum of \$200 million in loan funds has been set aside for rehabilitation of structurally sound housing.

—Recommended Action:

Direct the Division of Housing and Community Renewal to establish a rehabilitation bureau for the development, processing and management of rehabilitation projects from conception through completion of renovation.

I will also propose other measures at a later date to give added impetus to rehabilitation programs. Several projects in New York City are proving the value of this approach.

2. Urban Renewal

The State's improved financial picture now makes it possible for the State to resume paying one-half of the local share of the cost of acquiring land for urban renewal.

—Recommended Action:

Appropriate funds in the Executive Budget for this purpose.

3. Urban Development Corporation

In its four years of operations, the Urban Development Corporation has started construction of some 30,000 units of housing, as well as commercial, industrial and civic facilities.

Most of the UDC projects are in the major cities of the State. How-

ever, some of UDC's housing developments are in the smaller communities, suburban communities, and their school districts.

All UDC housing is partially exempt from local taxes, so that rents will be at a level that low- and moderate-income families can afford. This partial tax exemption may place a disproportionate financial burden on other taxpayers in the smaller cities, suburban communities and their school districts.

—Recommended Action:

—Submit legislation for limited State aid to smaller suburban communities and school districts in which UDC-assisted residential projects are located as a means of easing the fiscal impact of the partial tax exemption on these projects.

1. Natural Disaster Relief for Hurricane-Struck Areas

The winds, rains and floods of Hurricane Agnes brought devastation to a wide area of the State. The costs in many instances have been beyond the capacity of local governments and individual citizens. To ameliorate the devastating effects, I propose a number of measures:

1. Urban Renewal for Flood-Stricken Areas

Under present Federal programs, local governments must pay 25 per cent of the cost of land acquisition for urban renewal. In the case of the areas hit by Hurricane Agnes, much of the valuable tax base that would ordinarily be expected to support the local share was itself destroyed and became part of the urban renewal area. This increased the cost to local governments and reduced their capacity to pay those costs. In the past, the State has paid one-half the local share of urban renewal costs.

—Recommended Action:

Legislation and funds to enable the State to pay the full local share of urban renewal in those Southern Tier communities most severely affected by Hurricane Agnes and which are actively pursuing renewal programs as a result of the flood.

2. Tax Abatement for Flood Victims

Home owners and businessmen whose property was destroyed in Hurricane Agnes have subsequently received or will receive local real property tax bills based on property values that existed prior to the flood.

This fact arises simply because the taxable status date—that is, the date as of which the assessed value is determined—occurred prior to the flood. That legalism, however, offers scant consolation to the home owner or businessman expected to pay taxes on property that has been destroyed.

—Recommended Action:

Submit legislation to enable local governments to reassess those properties that have been destroyed or to abate the taxes on them

and to provide State aid to ease the burden of such abatement on local government.

3. *Investment Credit for Flood-Damaged Areas*

Incentives are needed for businesses whose plants were destroyed or severely damaged by Hurricane Agnes to reinvest in the area, with appropriate flood protections.

Recommended Action:

Submit legislation to double the investment credit—increasing it from one per cent to two per cent—for investments in plant replacement or rehabilitation undertaken within three years of Hurricane Agnes.

4. *Office of Natural Disaster*

Hurricane Agnes was an unfortunate demonstration of the fact that, in the interest of economy, too deep a cut was taken into the capacity of the Civil Defense Commission, now operating as the Office of Natural Disaster and Civil Defense, and local civil defense operations. Emergency personnel, however, performed yeoman service during this trying period with limited manpower and resources.

Recommended Action:

—Include funds in the Executive Budget for increased manpower and resources to meet further emergencies.

—Transfer the Civil Defense Commission and its functions from the Department of Transportation to the Division of Military and Naval Affairs. Much of the manpower and field services were, in fact, provided by the Division, which is well organized and qualified to support the disaster relief mission.

5. *Flood Plain Management*

The devastation wrought by Hurricane Agnes demonstrates the inherent dangers in occupying flood plains.

Recommended Action:

Legislation to provide for improved flood plain management, with the primary responsibility to rest with local governments while enabling the State to provide appropriate planning where adequate local management programs are not adopted within reasonable periods.

Your swift approval of this legislation would facilitate the qualification of New York State communities for flood insurance under the Federal Flood Insurance Program. Actions taken under such legislation may include flood control measures on public and private facilities located in otherwise unprotected flood plains and limits on new development.

J. Port-Muel Betting

The special Commission under the chairmanship of Charles Dela-

field now studying the impact of off-track betting on racing will present its report and recommendations shortly.

Recommended Action:

Review of the Commission's recommendations followed by enactment of appropriate legislation.

IV. *CONCLUSION*

When all is said and done, our goal in the public interest for business or agriculture or labor, for all of the people of New York State, is to run an efficient State;

—a State with a sound budget that is determined to live within its income, a State which acts to encourage a growth economy and helps to provide good education, recreation, transportation;

—which acts to assure good economic and efficient services in the field of power, fuels, banking, insurance and communications services and which is deeply concerned with the safety and protection of the citizen's person and property at home and on the street, as is necessary to a progressive society.

Let me also, in conclusion, make a personal comment and a strong personal plea on the fundamental issue of human rights, which goes to the very heart of what our Nation stands for.

We in New York State have rightfully prided ourselves on being the Nation's pioneering state in removing racial and religious barriers to human opportunity.

During the 1950's and 1960's rapid and historic human rights advances were achieved.

Yet there is no denying that—as a result of the economic and social forces released by the rapid evolution that has taken place nationwide in recent years—the human rights movement generally has suffered a loss of momentum.

We must understand and beware of the polarizing forces that grow out of this period of rapid change.

But we must never lose our dedication to this fundamental, basic, Judeo-Christian concept.

There can be no turning back from this cause now.

With deep understanding and good will, with responsible attitudes and meaningful action from every group, with love as our guiding principle, we can and must give renewed impetus to this fundamental cause of human advancement and equal opportunity for all.

And we must find ways of building bridges to bring people together.

Let us stand united, in the great progressive tradition of New York State, against any pressures to deter the growth of individual opportunity and responsibility for every New Yorker.

But let us not forget the fundamental truth that a free society that wants to protect the rights of the individual can only do so if the members are willing to accept their individual responsibilities to the society as a whole.

Down through the years, we have taken actions, the executive and law-making branches together, that place New York first in the Nation in adapting the institutions and responsibilities of state government to a much-changed world.

And here, today, I have set forth for your consideration the next tasks of state government which I believe to be essential to the health and happiness, the equality of opportunity and well-being, the spiritual fulfillment of all our 18 million people.

We have in recent years been experiencing an exceedingly trying period of fiscal difficulty.

We have, however, profited from the lessons of adversity.

We have learned what the State can and cannot do within the means available.

We have sharpened our sense of values and priorities.

These lessons will serve us well as we look toward the future:

—A future which, with courage and vision;

—A future which, with God's blessing;

—Can open the brightest chapter in our lives, in those of our children, and in the life of our Nation.

Special Message Transmitting Legislation to Deter Hard Drug Pushing

STATE OF NEW YORK—EXECUTIVE CHAMBER

—January 10, 1973

To the Legislature:

With this message, I am submitting the legislation recommended in my Annual Message, to protect individual citizens and our society as a whole through strong deterrents to pushing hard drugs.

This legislation will:

—make the penalty for selling any quantity of a hard drug life imprisonment for persons age 19 or above, without eligibility to plead guilty to a lesser offense, and without eligibility for probation, release, parole or other suspension of sentence. Youthful offenders between the ages of 16 and 19 convicted of the sale of

hard drugs will also be sentenced to life imprisonment but will be eligible for parole consideration after 15 years;

—make it a crime punishable by life imprisonment, similarly without eligibility to plead guilty to a lesser offense, and without eligibility for probation, release, parole or other suspension of sentence for a person under the influence of a dangerous drug to commit a crime such as murder, assault, burglary, robbery, rape and other violent offenses;

—provide for a \$1,000 reward to the person or persons providing information leading to the apprehension and conviction of any hard drug pusher.

I will also be submitting legislation to strengthen the rehabilitation programs of the Narcotic Addiction Control Commission, especially by extending the Commission's authority to treat persons using non-narcotic dangerous drugs. The cost of the State's efforts to rehabilitate the addict has been enormous—approximately \$1 billion. We will continue our efforts to help the drug addict through expanded State and local programs.

I will also request whatever additional funds are necessary to expand the special narcotics courts structure we have set up in New York City, with the help of Federal funds, to handle the case loads presented and create similar special narcotics courts elsewhere in the State where necessary.

The hard drug pusher is a cold and cynical destroyer of lives as much as any killer. The only way to deter this commerce in tragedy is by measures so strong, so effective, so fully enforced that the hard drug pusher will no longer risk his own life and freedom by jeopardizing the lives of others. I will not accept the idea that society must cringe helplessly before the tragic end products of the drug traffic.

The law abiding public, every parent concerned about the threat of addiction of a child deserves this protection against the destructive evil of drug trafficking.

I therefore urge your prompt approval of this legislation.

(Signed) NELSON A. ROCKEFELLER

Message Transmitting the Executive Budget and Recommended Appropriations for 1973-1974

STATE OF NEW YORK—EXECUTIVE CHAMBER

Albany, January 16, 1973

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

The Budget which I submit to you today represents a sound balance between justifiable optimism and realistic caution.