

that "it is essential to the progress of this state that both levels of government be adequately financed in a manner which is, at once, progressive, responsible, equitable and reasonable in its demands upon the taxpayer." And while the study commission it established is to be called the "Commission on State and County Finance," the awareness of the General Assembly of your interests is evidenced by the fact that the resolution provides that two of the ten members of the Commission be recommended by the Maryland Municipal League and that they represent the incorporated cities and towns of the State. The Commission is charged with the responsibility to investigate the whole field of state and local government relationship and to report back to the General Assembly its findings and recommendations at the earliest possible date after next January 2.

From its study we hope to find the guidance that is needed to enable us to move along swiftly toward our goal—a healthful and amicable financial relationship between the State of Maryland and the counties, cities and towns within its boundaries. Since World War II, some drastic changes have been taking place in American government, on the state and local levels. While the federal government concentrates its expenditures more and more in the domain of world politics—in defense, foreign aid and on diplomatic fronts—state and local governments are being burdened with ever greater obligations.

As an example of the growing demands upon state and local governments, we ought to look for a moment at the trend of government spending. Between fiscal 1950 and 1960, discounting inflation, general state and local government expenditures in the United States increased by 55 per cent—from \$34 billion (in 1960 dollars) to \$52 billion. During the same ten-year period, federal budget expenditures rose by only 37 per cent . . . .

We can point to many factors which have contributed to this steady growth in the obligations and responsibilities of state and local governments. The deferment of construction and maintenance programs, first by the depression of the 1930's and later by the war, thrust upon us an enormous burden. The population explosion of the past sixteen years obviously has hit hardest at the state and local levels. The expensive services of hospitals, schools, and public assistance and sanitation are, almost exclusively, obligations of state and local governments. Normal population groupings have shifted. The low birth rate of the 1920's and 1930's has left the productive age