

group 21 to 65 — proportionately small. Meanwhile, the boom in births has increased the size of our under-21 group, and improved medical services have increased the number of our citizens over 65 years of age For these reasons, then, state and local governments expanding at a much faster rate than the federal government. This is one of the most important political facts of our post-war era This places a greater burden upon state budgets as each year passes. Aid to local localities accounts, in large measure, for the financial difficulties of the state. In the 1920's and until the time of the depression, localities were spending roughly twice as much as the states. Since the war, the two have been spending about evenly. With each passing year state aid is accounting for a greater percentage of local revenues. In our own State of Maryland, these trends are quite pronounced. Our State revenues and our State expenditures have grown by leaps and bounds since the war. So has the aid to the localities.

It is worth restating, in this connection, that the only tax adjustment the State has made since fiscal 1959 was made solely to aid the localities in financing their programs of health and public welfare. Now, I do not wish to be misunderstood on this score. I certainly am not registering any complaint about the situation. I simply am trying to state some facts — some facts we need to understand in developing a proper approach to the problem which confronts us.

Federal, state and local governments are partners in one business — the business of providing for the security, the happiness and the general welfare of the citizens of this country

I would leave you with this thought. My Administration over a period of four years has demonstrated its concern and I believe its understanding of the ever-growing financial burdens and responsibilities of its municipalities. I have always felt that government should stay close to the people. For that reason, municipal governments always have seemed to me to be bulwarks of democracy.

I congratulate you for the splendid work you have done in the past, and I pledge you my fullest cooperation in meeting together the problems ahead.