

I began work on the budget shortly after I was elected Governor last November with this as an objective: To provide the citizens of Maryland with State services that are essential without increasing their taxes. In order to do this, I was compelled to slash some of the requests for appropriations that had been made by the departments and agencies of our government. As I reported to the General Assembly today, more than \$13,000,000 was cut from original requests.

In my best opinion, the program I presented is a sound one. The State can continue to grow and prosper under it. At the same time, the citizens of the State are given a much-deserved respite from further taxation.

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ADDRESS, NATIONAL GOVERNORS' CONFERENCE,  
SAN JUAN, PUERTO RICO

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The article in Fortune Magazine, which the Chicago office of this Conference so thoughtfully mailed to each of us, contained this statement:

"It's a lucky governor or mayor who isn't facing a budgetary crisis, who hasn't found himself obliged to reach in every direction for new sources of revenue."

I do not wish to seem gleeful in the company of those who may be less fortunate, but I am constrained to state that I am one of those "lucky" governors mentioned by the authors, Robert Lubar and Charles E. Silberman, in this very fine series of articles on tax problems.

The State of Maryland faces no budgetary crisis, and is, indeed, in reasonably good financial condition, supported by what we believe to be a sound tax program.

My first budget as Governor, appropriating some \$205 million in general funds, was approved by the Legislature and became effective last July 1. It is a budget which we balanced without imposing new taxes or increasing the rates of existing levies.

Moreover, it is in no sense an austerity budget, although it does call for strict economy in the operation of governmental agencies and functions. There has been no impairment of State institutions and agencies and no curtailment of services and programs. We are spending