

My answer to the overall problem is long-range fiscal planning, and early this year I initiated studies designed to determine what our needs will be in the future and how we will be equipped to finance them. I have just received my first report from the planners, or fiscal experts, and I am told that the present revenue trend will permit us a budget growth of \$10 million a year, whereas the rate of increase in spending is \$17 million a year. We know if this trend continues, appropriations will equal revenues by 1963 and exceed them in years after. Of course, changes of policy in taxing or spending will change this relationship.

Our picture of the future is still incomplete because of the inseparability of state problems and local problems. We expect soon to get the full picture by extending our studies into the fiscal problems of the political subdivisions.

It is my hope that through long-range projections of spending and revenues we will be able to identify the problem completely. When we do, I think it will be possible for us to reconcile the pressures to spend with the public's ability to pay.

ADDRESS, KITZMILLER LIONS CLUB

KITZMILLER

October 26, 1959

It is a delight to me always to come to this beautiful mountainous section of Maryland, and I am happy this evening to have this opportunity to speak to the Lions Club of Kitzmiller.

This is the season in which officials of your state government are busily engaged in the preparation of budgets, and it occurred to me that a discussion of the financial condition and the financial prospects of the State might be of some profit and interest to you. . . .

It is exceedingly gratifying to me to report to you that the State of Maryland is not faced with a budgetary crisis. The State is, in fact, in reasonably good financial condition, and, while it is much too early to present details of the revenue and spending program for the next fiscal year, it can be said that the prospects look good.

Maryland has a good financial program, based on what I consider to be a sound and stable tax structure. For our general fund, as you may know, we rely mainly on two sources of revenue—the sales tax and the