

Director said, it is a certainty that many of them must be turned down. Otherwise, the government will go broke.

Governor Abraham Ribicoff, of Connecticut, put it this way: "We must have the guts to say 'no'. There is no big bag of money; it always comes from the people."

But in my opinion it takes more than just the courage to say 'no'. It takes the wisdom to say 'no' when 'no' is the right answer and to say 'yes' when 'yes' is the right answer.

The topic assigned to me here, I believe, was "Maryland as it is Today," and it was at the suggestion of one of our group that I decided to talk about taxes and money matters and the financial condition of your State.

The State of Maryland is in reasonably good financial condition at the present time, I am pleased to report to you. It has a sound and stable tax structure, which, with the rising economy, is producing revenues in sufficient amounts to take care of our requirements. We have escaped budgetary crises such as have plagued many other states, and the prospects are good that we will continue to escape them. We will avoid crises, however, only if we pursue a proper course, with prudent spending and sound financing in general. In times of great prosperity, we must spurn the temptation to overspend.

During periods of plenty, there is always a great danger of what is termed in the area of government financing as surplus financing—of treating surpluses that accumulate in the treasury as though they were current revenues and increasing the level of government spending to the point that eventually new taxes will have to be imposed to support new programs initiated with surplus funds. The urge to splurge when times are good is resisted by the prudent state the same as it is by the prudent individual. These broad principles of sound financing we shall keep in mind as we prepare the fiscal program for next year.

As I have said, Maryland is in a healthy condition financially at the present time. With economic recovery, we ended the 1959 fiscal year with a surplus, and all reports indicate that the surplus probably will be substantially increased by the end of this fiscal year. This is gratifying, of course, but we still must proceed with great caution. We must not allow ourselves to become too exuberant in this year of relative prosperity. . . . In the preparation of this budget—and in the preparation of all future budgets, for that matter—we must muster the courage to say 'no' when circumstances demand such an answer.