

Before a policy of government financing is laid down, it is essential that a main objective be established. That objective, from my point of view, should be to provide all the necessary governmental services at a minimum cost to the citizens who have to pay for them. As I see it, there are three fundamental requirements which must be met before that objective can be attained. First, there must be a thorough study and a complete understanding of the needs of the citizens and the resources at hand to fulfill these needs. Second, there must be advance planning—looking ahead not only to the year for which a budget is being prepared but many years in advance. And third, there must be efficient execution. If the money we appropriate to provide the services and maintain the institutions that the citizens demand of their government is not spent wisely, government has failed and the taxpayers have been cheated. These fundamental concepts have guided me, and will continue to guide me through my term as Governor of the State.

In my first budget message to the General Assembly, delivered shortly after my inauguration, I stated that my Administration would be dedicated “to the maintenance of a sound and planned fiscal program.” My first budget, for the fiscal year in which we are now operating, was essentially a hold-the-line program. It called for the maintenance of all existing State services, with the expansion and improvement of some, at tax levels then present. The hold-the-line policy was adopted initially to give my administration the time it needed to re-examine and re-evaluate governmental services and governmental spending programs and to set up the machinery for a long-range fiscal planning. This we have done, and, although re-examination and planning are continuing processes, I think I am justified in claiming that we have made substantial progress in advance planning and in studying and understanding our needs in relation to our resources.

To achieve an efficient execution of our fiscal programs, we have undertaken to reorganize and reconstitute a number of our State departments and agencies.

I have spoken up to now mostly about broad and general policy, and now I should like to discuss some of the specific problems one encounters in attempting to formulate a financial program to provide essential services at a minimum cost to the taxpayers.

All of us are familiar with the business cycle which has become one of the pronounced characteristics of the free-enterprise economic system we have established in this country. We have lived through the boom-bust cycles and we know what they are like. We see evidence of the fact that