

crease needed to finance improvements in education, health and hospitals, employees retirement and social security, mental hygiene, correction, natural resources and recreation and salary adjustments for school teachers and State employees. . . .

In formulating our fiscal policy . . . we bear in mind at all times that adequate governmental services to the citizens of the State must be provided by all levels of government—State, county, and municipal. Counties and municipalities are creatures of the State—political subdivisions which have been granted a charter of authority from the State to carry on certain limited governmental functions. The State, as creator, is therefore ultimately responsible for the kind of government the counties and municipalities provide. And thus, the State has the responsibility to make sure that the local governments have taxing and other powers sufficient to make it possible for them to carry out their functions.

Committees of the Legislative Council and groups appointed by me are studying the problem of the relationship of the State and the local subdivisions in providing the governmental services required by our citizens. The studies embrace such questions as public education, the distribution of highway funds, local health funds, local revenue sources and State-shared revenues. Emphasis has been placed by my Administration upon a continuing study of the needs for services, both at the State and the local level, and of the resources available to defray the cost of providing these needs.

I cannot stress too much the importance of long-range planning in all this. It is the keystone of my fiscal policy. We look far ahead in Maryland, believing it to be the only effective way to provide all the essential governmental services at the lowest cost to the taxpayer.

REMARKS ON THE 1962-63 BUDGET

February 6, 1962

Today, I have submitted to the General Assembly my program for the financial operation of the State government for the fiscal year which begins next July 1.

This budget, the fourth of my term, calls for a total fund appropriation of \$554,678,069, of which amount \$273,146,408 represents appropriations from general funds. In this budget, revenues and expenditures are balanced without increasing taxes, and thus, the goal I set at the