

receive under this program. Of course, the law itself placed considerable restrictions upon the use of these new revenues, but we wanted to learn how the receipt of them would affect the overall financing of the subdivisions. The response we received from the inquiries we sent out varied from lengthy and detailed reports to—in only one instance, I believe—no response at all.

In the letters I sent out to local governments, I noted that this new program of increased financial assistance to Baltimore City and the counties was the most far-reaching one that had been initiated since 1947. And therefore, I said, it was important that we attempt to assess and evaluate fully its results and ramifications. The replies indicated that the additional financial aid from the State was used for a variety of purposes, but chiefly to raise the salaries of teachers and otherwise improve local educational systems. Other uses reported included pay increases for policemen, firemen and jail guards; the improvements of roads and public landings; planning and zoning; the subsidization of volunteer fire companies; debt services; public libraries; public recreation, and so on. In a few instances, counties used the increased State aid to reduce their local property tax rate.

This program to relieve the heavy financial burdens of local government gave assistance to Baltimore City and the counties in three ways. First, it increased State aid for education by increasing grants for current expenses and for school construction. Second, it placed a limit equal to 10 cents per \$100 of assessable property on the contributions by the subdivisions to public welfare programs, thereby relieving local expense for this purpose. Finally, it established a uniform State-wide tax on cigarettes, with the subdivisions getting all of the increased revenues involved.

In their effect, these three categories of additional State assistance should be considered separately. The extra funds in aid to education are earmarked for that purpose. Their use, however, permitted local governments to increase teachers' salaries and make essential improvements in their educational systems without placing unbearable tax burdens upon property owners. The revised program of assistance for public welfare increased the State's liability in that field and decreased the local responsibility for public welfare. With the cigarette tax, it is simply the question of the State's levying and collecting a tax, all of which is distributed to the subdivisions. Though diverse in nature, they all accomplish the same purpose. In their varying ways, they have allowed the local governments to stabilize their financial systems and