

vation, with this added comment: "This remains as our principal task" I believe that history will record that in the main this objective was fulfilled — that your State government met the obligation it has to develop fully the human and natural resources of the State and at the same time has preserved its financial integrity. The fiscal soundness of the State is, and has been, a primary concern of mine, as most of you know.

But financial soundness must be matched by a vigorous and healthy social and economic climate in which the people of Maryland may earn a living, raise their families and enjoy all the many advantages that it is possible for them to have in an affluent society. This means that if they are to enjoy to the fullest "life, liberty and the pursuit of happiness" they must have good schools, good hospitals, good roads, plenty of recreational facilities and the many other services that government can provide. It is our responsibility, as servants of the people, to secure for them, now and for the future, the fruits of our great and abundant society. This is our goal in the 70 days ahead. This is our goal of the future.

THE BUDGET

The adoption of a budget — the mapping of a plan for the financial operation of the State for another year — will occupy a greater portion of your time at this session, and it is to this subject that I should like to turn at this time. The budget which I am submitting to you today increases in substantial proportions the appropriations for services to the people and at the same time requires no tax revision. This means that during the entire eight years of this Administration expenditures have been balanced with revenues without the necessity of raising general fund taxes for State purposes.

Several factors have contributed to this fortunate condition, but from my point of view the three main ones are these:

1. The State of Maryland, with most of the country, has enjoyed a period of continuing, unprecedented prosperity.
2. Our tax structure, dependent mainly upon sales and income revenues, is sensitive to economic conditions and therefore our revenues up to now have tended to rise along with the expanding economy.
3. We have practiced, I think, a prudent management of the State's finances and an efficient operation of State departments, agencies and institutions.