

and the matter is now pending before the State Court of Appeals, our highest tribunal. Because of the uncertainty surrounding the legality of this proviso, however, our only choice now is legislative action should the report of the State Board of Revenue Estimates indicate that reduction or repeal of the tax increase is possible. It is not possible to determine at this time the specific action I shall propose regarding the repeal or reduction of the proposed increase in the income tax rate until the Board of Revenue Estimates furnishes me with the most up-to-date revenue figures after taking into consideration the effect of the President's tax reduction program and the generally improved economic conditions in our State. However, I think it can be said that continued economic prosperity here in Maryland has considerably brightened the revenue picture and there is substantial evidence to indicate that a reduction or elimination of the proposed tax increase will be possible. If this is possible, you may rest assured that appropriate action in calling a special session of the General Assembly will be initiated by me because it is my hope that I can fulfill the pledge I made to the people of Maryland on February 18, 1964, when I said, quote: ". . . if we are fortunate enough to enjoy a period of economic boom—if the proposed Federal income tax reduction stimulates our economy to such a degree that a sharp increase in revenue to the State results, then I will be the first to recommend a downward adjustment in the tax schedule at the next session of the General Assembly."

Ladies and gentlemen, I have been in government and politics for a long time—almost three and a half decades—and I know from personal experience what we can expect to hear from those not directly responsible for the fiscal affairs of Maryland and those more concerned with the political advantages of the present rather than the unattended needs of the future. They will continue to contend that the tax increase legislation should never have been enacted in the first place and, I say emphatically, they will continue to be wrong. We were playing it safe—if funds were needed, we would have them, if not needed, authority was available to reduce or revoke the tax increase. Economics is, at best, an inexact science. Thus, the figures presented to me by the Board of Revenue Estimates in December, 1963, were, no doubt, conservative simply because the board, as a unit, was reluctant at that time to wager the financial stability of State government on the supposition or the gamble that the Federal income tax cut would provide sufficient stimulus to offset the need for increased revenue through a State tax program. One member of the board, Mr. John A. Luetkemeyer, State Treasurer and a prominent Baltimore banker, in refusing to accept the suppositions that the