

Meanwhile, by way of explanation, I'd like to tell you what I've been doing for the past eight months: service to the State, which I hope justifies and excuses my absence from our great service organization.

Early in my term, I sponsored and saw enacted fiscal reform legislation; perhaps you heard something about it.

It is not only a valid program but a compassionate one. It is not only structured to make the State financially solvent but to enable local government—the government closest to the people—to maintain and expand those vital services which you need and deserve. Above all, it was an immediate and imperative measure designed to correct an *inherited* problem, to right an inherent wrong, to reduce inequities not only in the collection but in the dispersion of our tax dollars.

We all know fiscal reform was inevitable. As early as 1962 plans to produce and reallocate more State revenue were under study. In 1966, the Cooper-Hughes Bill failed to be approved by the General Assembly by a single vote; and a series of inefficient and ineffective stopgap options were authorized as a temporary remedy. Let us never forget where we were before this legislation, and where we are now and where we can go because of it!

Prior to fiscal reform there had been a trend and tendency by the State to let the local government solve its own financial problems. As a result, the property tax—local governments' single major revenue resource—was raised and raised again until in the large suburban counties it was relied upon to finance as much as 90% of the total local effort.

You as businessmen know this is a bad situation. Even in an ideally located county like yours, a constantly escalating property tax inevitably reaches the point of diminishing returns. Large scale investment and development are discouraged; overuse or abuse of the property tax can kill the goose that lays the golden egg.

As individuals whose compassion and interest in others are demonstrated through your membership in the Kiwanis Club, you can understand the impact of a rising property tax upon the income of the elderly. The pensioner on a fixed income who sacrificed to buy a nice home in a fine community suddenly found he was forced to sell his home because he could no longer afford to pay the taxes on it. The national inflationary spiral has hit the pensioner the hardest. We cannot purchase the same commodities with the same amount of money we did ten or five years or even one year ago. Pension incomes cannot be stretched to meet the rising prices and rising property taxes.