

Traditionally the Federal government has been responsible for the general, the state for the specific, and local government for the particular. I believe that this system is valid in scope and substance to confront the problems of our cities. Seed money for a particular anti-poverty program is purposeless unless continuity can be guaranteed. It is disheartening and disruptive when it is prematurely terminated. Seed money in the general areas of mass transit, pollution control, urban renewal and satellite city planning would be constructive and effective.

In Maryland the problem of our cities means first the problem of Baltimore; but it is also the problem of Cambridge, Salisbury and Hagerstown; of Frederick, Annapolis and Cumberland. I believe, in the past year State government has made tremendous strides in providing the fundamental resources and tools to resolve urban problems. Fiscal reform has brought both additional revenue and alternative revenue resources to the political subdivisions. Federal and State appropriations have been made for the planning and engineering of rapid transit systems for both the Baltimore and Washington metropolitan areas. The 1967 General Assembly *tripled* State aid to subdivisions to extend water and sewage facilities and enacted model air quality control legislation.

We have come far but not far enough. We have moved fast but not fast enough. If 1967 was a year to firm up foundations, 1968 must be a year to capitalize and construct. We must broaden employment opportunities by assuring that Maryland's industries have an opportunity to expand and by attracting more commerce to Maryland.

Fiscal reform must be extended to provide greater equity and uniformity to Maryland businesses. The reduction and elimination of miscellaneous nuisance taxes is essential to place Maryland's commerce in a competitive position, to assure that industry as well as individuals bear a tax burden related to income rather than inventory or gross receipts. Taxation is most constructive when it is applied against net profits rather than volume or property.

As fiscal reform in 1967 redistributed general revenues with recognition to the special needs of the metropolitan and urban subdivisions, comparable adjustment in motor vehicle revenues dedicated to road maintenance and construction will be recommended in 1968.

The health of Maryland's citizens and economy depends upon the quality of air and water resources. Therefore, I shall present an integrated pollution abatement program to the 1968 General Assembly