

every program and agency of State government to justify its existence, to develop measures of cost, production, effectiveness and efficiency, and to assure full value to the taxpayers of Maryland.

I believe that the extra cost to the government in employing men of talent and ability to see this work through will be repaid many times to the State, and in the final analysis will represent an investment and not a cost to the taxpaying public.

Similar modern management studies have been conducted in some other states with significant results. After subjecting the State administration to intensive scrutiny, initial savings of \$25 million were achieved in the State of New York, \$50 million in the State of Ohio, and \$60 million in the State of Washington. This does not even take into consideration the expanded services, modernized programs and improved efficiency of operation that were additional dividends from an investment which in the long run proved negligible.

Our case, my friends, is new — and nobody understands this more clearly than those enlightened Democrats and Republicans who, under the chairmanship of Senator Harry Hughes, have provided a realistic and workable blueprint for tax reform in our State. This is by far the most significant piece of legislation to be considered by the new Assembly, since on its passage our progress as a State and a people depends.

The reasons for tax reform have been told many times but they should be repeated again if only for the benefit of those who have innocently misunderstood the concept, or who have deliberately turned off their hearing mechanisms at the very mention of the unloved word "tax."

Tax reform is essential; its need immediate! Present revenues are simply not sufficient to meet the vital requirements of State and local governments in Maryland. The obligation for paying the cost of government services is not being shared fairly by the people of our State.

Rather than take up your time with every detail and statistic of what is proposed and why, let us examine the problem in reverse and ask: What happens if we don't pass a tax reform bill? What happens if we stand pat with the present system?

Let's look at it in that light and make the comparison point by point.