

A. I sincerely hope it will never be necessary for the State to actually get into the hospital business. I can see a potential if we cannot solve these problems through this course that someday a State agency — a regulatory agency of the nature of the Public Service Commission — may have to come into being to regulate the hospital area. But I am hopeful that the private sector interested in health, given this opportunity, will be able to solve the problem without governmental intervention.

Q. I am thinking more of hospitals operated by the City — the City Hospitals, and I believe one or two of the counties operate hospitals.

A. Well, I don't see any immediate indication that that would come about. No.

WELFARE DEPARTMENT - BUDGET DEFICIT

Statement by the Governor

I have one other subject I'd like to mention to you briefly because I was tremendously distressed by this headline concerning the soaring welfare cost in a projected \$2 million seven hundred and some thousand dollar deficit. We have checked into this very thoroughly and let me say that the Welfare Department has never asked me to make arrangements to fund this deficit. Let me also say that the deficit started out to be a projected \$2 million seven hundred thousand dollar deficit and then as conversations went forward with the Welfare Department as a result of my request, it was successively reduced — let me give you the figures here — successively reduced from \$2 million seven to \$1 million nine; and then last Friday, at a further meeting with the Budget Director and the Welfare Director, I was informed that the projected deficit in all likelihood will be less than \$1 million. Whatever it is we certainly have an intention to do something about it, as is evidenced if you will look at the budget message this year on page 59. I read from it on welfare: "The budget as submitted does not reflect the impact of a new health and welfare Federal legislative program except in the area of day care. The Department of Public Welfare is currently reviewing and evaluating the legislation to determine its impact on this budget. Later in the session I shall report to you their findings for possible inclusion in the supplemental budget." So we are aware of the impact of this staffing legislation and we are still attempting to get decent figures to decide what kind of supplemental budget is necessary, if any. So the alarm that's been reflected from statements that have emanated from welfare sources — incidentally to my mind very harmful to the general peace and harmony of the Baltimore community — are grossly over-exaggerated, and already we can report that the projected \$2,766,626 deficit is under \$1 million.