

distribution among the states of revenues derived from import duties on petroleum and petroleum products, if the President and the Congress find it necessary to increase the taxes on gasoline and crude oil, to compensate them for revenue losses incurred through reduced gasoline consumption caused by these import duties.

President Ford, as part of the Administration's program to combat energy problems and inflation, has signed a proclamation to impose import fees on crude oil and refined products. One result will be a major increase in the price of gasoline and crude oil for highway users.

Maryland joins the President and Congress in seeking answers to the complex problem of energy shortages, rising prices, increasing unemployment and inflation. Maryland has already felt a significant decrease in highway revenues due almost entirely to the decline in gasoline sales resulting from supply shortages and higher prices at the pump.

Many other states also affected by the reduced sale of gasoline have greatly slashed the number of highway construction projects or have declared a moratorium on new construction.

Since the Federal Government's action is designed to effect a very large increase in the per gallon price of gasoline, Maryland will suffer in two ways. The price increase will reduce consumption. As a result, highway revenues will drop further from their already lower levels. Such reduced revenues, coupled with construction cost increases in today's inflationary period, may seriously impair state highway programs and may cause increased unemployment. Furthermore, with the per gallon price of gasoline raised greatly, states effectively would be prevented from enacting additional state gasoline taxes at this time.

If the President and the Congress find it necessary to increase the [[price of]] taxes on gasoline and crude oil, they should take action to ensure that states receive back from the Federal Government an amount roughly equivalent to state revenue losses due to reduced gasoline consumption. Such a return could be financed by allocating to the states a portion of the funds generated by the import fees on crude oil and refined products; now, therefore, be it

RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Maryland Congressional Delegation be urged to support legislation providing for a distribution among the states