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## TAXATION AND FINANCE

*In his second term, like the first, Governor Tawes regarded the problem of providing additional services without increasing taxes as his most serious task. The magnitude of this problem is sharply etched by the comparative figures of the 1959 budget—395.5 million and the 1966 budget totaling \$883 million. The rapid growth in population caused the demand for more and better services in education, health, and public welfare; these expenditures constituted over 80 percent of the total budget. The Governor's goal of financing services without new taxes was achieved with considerable difficulty. He was forced to recommend an increase in income tax rates from three to four per cent in order to finance a new program in education. Fortunately, an improvement in state income permitted the elimination of this rate increase. The Governor supported the Cooper-Hughes legislation which provided a method for relieving local governments from their heavy reliance on the property tax. As this legislation never became law the State tax structures was not changed during the second term.*

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### REMARKS, ROTARY CLUB OF FREDERICK

#### FREDERICK

September 30, 1964

Ralph Austin, Reverend Clergy, distinguished guests, fellow Rotarians, ladies and gentlemen:

I have been looking forward to my visit to Frederick today with considerable anticipation and delight as I always do. Not only have I been accorded the pleasure of attending this luncheon but, later, I have planned to spend several pleasant hours at the great Frederick Fair.

As all of you know, I have had the privilege of speaking here for the past five or six years and my message usually has concerned itself with the affairs of State government. I make no exception today for I would like to devote the next few minutes to a discussion of a piece of legislation that has been more misunderstood and more misinterpreted than any other piece of legislation in my experience.