

quarter of next year, business outlays for new plant and equipment could exceed the rate of \$41 billion per year." By a considerable margin, this would be an all-time high in business expansion.

What does all of this mean to us here in Maryland? Well, for one thing I think that it shows unmistakably that Maryland faces vigorous competition from other areas of the country for the new plants to be constructed and the new equipment to be installed. And from my point of view, it is a challenge to us here in this State to step up our program of calling to the attention of American businessmen advantages we have here and to prepare ourselves to offer them any information and services they may require with regard to location or expansion within our borders. We are safe in assuming, I think, that the new national defense program, with its greatly increased appropriations, will add further impetus to the expansion plans of industry

We have every reason to believe that Maryland will be able to compete successfully with the rest of the country in its bid for the overall share of the fruits of expected economic expansion. The strength and the momentum of the economy of our State puts us in a good position to participate in full measure in this new wave of industrial and commercial expansion.

Just briefly, let us look at our economic condition. In the 1950-1960 decade, Maryland's gross state product increased by 46 per cent, as compared with an increase in the Gross National Product of only 39 per cent. More importantly, all of the gain over the Gross National Product has occurred since 1957, with the sharpest rise in 1959 and 1960. And perhaps the best indicator of all is in per capita income. In 1959, Maryland's per capita income exceeded that of the country as a whole by only 1.8 per cent, while in 1960 the average Marylander's income was 9 per cent above that of the average American. We hope, of course, that Maryland will continue to share in the national prosperity. But we do not assume, in the competitive atmosphere of the present, that we will do so without effort.

In State government, we have established a Department of Economic Development, the purpose and function of which I am sure all of you are familiar. Its broad purpose is to develop to the fullest the economic potential of our State. It seeks to accomplish that purpose by inducing outside industry and businesses to locate here, by encouraging existing industry and business to expand their facilities and by the promotion of tourism. It is one of our newest State agencies, but by any standards I believe it may be adjudged as one of the more effective ones.