

The article I referred to stressed two main factors as playing an important part in the economic growth of Maryland. These were: First, the tremendous rise in urban population, and, second, the high level of income in the State. Maryland has become, as we all know, a predominantly urban state, with seven of every ten of its inhabitants residing in urban areas. The 1960 census shows that Maryland, with 314 persons per square mile, is outranked in population density by only five states. Most of the population is concentrated in a strip approximately 50 miles in width which extends from the District of Columbia boundary through the suburban outskirts of Baltimore—a segment, incidentally, of a continuous “strip city” which stretches from our nation’s capital to Boston. Your city and your county here are on the periphery of this population concentration and are vitally affected by it. During the decade, 1950 to 1960, the population of Maryland increased by nearly a third, a rise exceeded by only eight states—only two others east of the Mississippi—and 19 per cent above the average increase for the nation as a whole. Maryland, then, is a populous state; it is also a wealthy state. Last year, the per capita income of Marylanders was \$2,478, which was \$213, or 9 per cent, above the average for the nation. This relative prosperity our economists attribute to several factors, and principally among them the important role of the federal government in our economy, the presence of a large number of high-wage industries in the State, and the strength of the retail and wholesale trade. The report of the Federal Reserve Bank describes government, manufacturing and trade as the “three giants” of the Maryland economy, pointing out that they account for well over half of the labor force of the state and the wages and salaries paid to Maryland employees. The federal government has a higher pay scale than many other employers, and the fact that so many Marylanders are employed by the government sharply affects the economy of our State. This would include not only those persons who live in Maryland and work in Washington, but some 55,000 men and women stationed at military bases in Annapolis, Fort Meade, Andrews Air Force Base, Fort Dietrich, Aberdeen Proving Ground and others. Another 79,000 persons are employed in federal civilian jobs, including such sizable employers as the Bureau of Old-Age and Survivors Insurance in Baltimore County, the National Institutes of Health in Bethesda, the Atomic Energy Commission in Germantown, the Beltsville Agricultural Research Center and the Post Office Department.

The relatively high wage scale of government employees not only contributes to the overall economic prosperity of Maryland, but also has a tendency to stabilize economic conditions in the State. The impact of the business cycle is less severe here than it would be otherwise as a