

Even more encouraging is the fact that from an unemployment position considerably worse than the national rate in February Maryland climbed to a point above the national average, and in fact recovered from the recession at a 13.6 per cent faster rate than the country as a whole.

It is regrettable, to be sure, that in the midst of this general economic prosperity there remain within our state pockets of unemployment and economic distress.

In this connection, it is satisfying to be able to say that at the state level we have taken remedial action. We have not just stood by idly, shaking our heads and making sympathetic noises. Instead, all state and related agencies which could assist these areas have been actively doing all that is possible to help, including my own office, the Department of Economic Development, the Department of Employment Security, the Maryland Port Authority, the Development Credit Corporation and others.

Since our best hope for immediate assistance for these problem areas resides with the federal government, our efforts have been concentrated in that direction. We have been diligent in trying to persuade federal procurement agencies to give more contracts to those industries whose troubles are mainly due to the decline or cessation of federal purchases.

In summation, the economic condition in which we find ourselves is reassuring. But again, as I have in the past, I would caution against over-confidence and overexuberance. The problem I am presenting to you is not built on overconfidence. It is, in fact, a program of moderation which attempts to balance the requirements of the people for governmental services with their desire and ability to pay for these services through taxation.

The financial program calls for a general-fund expenditure of approximately \$20,000,000 in excess of that you appropriated last year. But here it should be pointed out that in a vast majority of the cases the increases reflect not new undertakings but improvements or extensions of existing services. In almost every instance, the increases have been predetermined by policies laid down in the past or result from such factors as population growth and the general expansion of the economy of the State.

Let us turn now to an examination of some of the programs and services with the view to determining what needs to be done in the light of what we have been doing. Public education is the mainstay