

trade was up 6 per cent. Commerce and public utilities showed a strong upward thrust of 9 per cent. Consumer and industrial services increased in dollar volume by 7 per cent.

In brief to use a figure of speech of the President in his report—we in Maryland have reached “new high ground” in economic progress. And we firmly resolved, as he suggested, to move onward and upward toward the summit.

FISCAL PROGRAM

With this as background, then, let us proceed to a more detailed examination of the budget I am presenting to you for fiscal 1965. I have recommended a total fund appropriation of \$660,505,284, of which \$326,684,907 represents appropriations from general funds. The proposed general fund appropriation thus is \$26,795,919 more than you appropriated for the current fiscal year.

I would point out here—and I can't emphasize the point too strongly—that at the very least this level of increase may be expected from year to year if our population continues to grow and our economy continues to expand. The only alternative would be to cut back on the quantity and the quality of the services we are now providing for the people of Maryland. And when we examine where the bulk of these increases go—for example, in the budget which I am submitting, \$13.5 million for education; \$6 million for health, hospitals and mental hygiene; \$2.6 million for public welfare—the unreasonableness of such an alternative becomes obvious. Following a pattern of the past five years, most of the increase in State expenditures is applied to the fight against ignorance, poverty and ill health. Of the total general funds recommended, the major portion goes to the highly essential areas of health, education and welfare. In the general fund budget I am proposing, 87.1 per cent of the increase is allocated for these purposes. Education alone accounts for 53.5 per cent of the total.

With no new program of service, it would be possible, despite the increase, to balance the budget for fiscal 1965 without a tax revision. This we could do with current revenues, together with existing surplus. But I am convinced that the time is at hand when we must upgrade our standards of public education so that every Maryland boy and girl in school will be assured that he or she is getting as good an education as this country has to offer. As you are aware, a committee of your Legislative Council, following a suggestion I made