

despite the overall prosperity, were forecasting the possibility of a slow-down in economic growth. Happily this did not come to pass. On the contrary, business conditions have continued to improve. We have seen a steady, solid upswing in the economy.

I offer you these examples from reports I have received recently from our Department of Economic Development, based on August, the latest month for which figures are available: Personal income in Maryland is up 5 per cent over a year ago. The index of our Gross State Product is 6 per cent above last year. Good gains appear in manufacturing, with steel output showing substantial increases for the fourth consecutive month. Bank debits are up nearly 14 per cent, and the average weekly volume of commercial and industrial loans has been running 15 per cent above last year. I could go on, but the general picture is just about the same in every area of activity.

In viewing these conditions and trends, we are justified, I think, in being optimistic in our forecast of State revenues for this year and perhaps next year. But we are not wizards and soothsayers, and I think it best that we continue to temper our optimism with caution. We all hope that the economic progress will continue unhindered, but there is nothing in all of our experience to assure us that we may not at some future time suffer declines and setbacks. The actions we took here last winter to provide sound financial support of State programs and State institutions have been so widely misconstrued and misinterpreted that I think it might be well for us to review the occurrences as we undertake today to reshape a part of our plan. You will recall that in my message to you of last February 5, I said that the time had come for Maryland to upgrade its standards of public education to the point that every Maryland boy and every Maryland girl can be assured of an opportunity to receive the best education this country has to offer. That was the main objective that we sought during that session, but I am afraid a great many people lost sight of that main objective in all the clamor and confusion that arose over the plan we suggested to finance the program.

But certainly we who planned it and executed it have never forgotten that we tried to, and actually did, develop a program which has given Maryland a public school system which I believe to be second to none in the entire country. Already other states are looking with considerable interest upon this plan with the idea of possibly adopting it. Outstanding educators of the State hailed the legislation as the greatest advance Maryland has made in public education in forty years. The Maryland State Teachers Association, in its official