

for health, including our programs to combat mental illness and mental retardation, and another 10.7 per cent is allotted to public welfare. Thus, you can see that more than 84 per cent of general fund appropriations is allocated to education, health and welfare. As you have seen, the budget calls for an expenditure of some \$369 million in general funds, which is an increase of \$25 million over the present appropriation for fiscal 1965.

We are all pleased, I know, that we are able to balance the budget for fiscal 1966, as we are required by law to do, without imposing additional tax burdens upon the people. This we are able to do because of the continuing upsurge of the Maryland economy. Our President, in his message to the Congress, reminded us that we are "in the midst of the greatest upward surge of economic well-being in the history of any nation."

ECONOMIC CONDITIONS

Most fortunately, Maryland is sharing in this national prosperity, and indeed is outstripping the nation as a whole in most aspects of the situation. The forty-second state in geographical area, Maryland has moved up from twenty-first to twentieth among the fifty states in population. We are growing and we will continue to grow. Employment is up and unemployment down. For thirty-one consecutive months, the percentage of unemployment in Maryland has been lower than that for the nation as a whole. In October it was 2.9 per cent, as compared with the national rate of 4.4 per cent. Our industrial workers — with a weekly average of \$104.55 in October — receive considerably higher pay for their work than the national average. Last year, as compared with the year before, our total state income and product climbed from \$11.2 billion to \$11.8 billion — an increase of more than a half billion dollars. These and practically all other indicators show that our State is sharing abundantly in the general economic prosperity that our country is enjoying.

With a tax structure geared carefully to the economy, we are now able to expand and improve our governmental services without changing tax rates, while at the same time we preserve the sound, stable financial condition of our State. It is safe to say, therefore, that we have no fears about the financial strength of our State so long as this prosperity continues. I should like to move now to some of the highlights of the fiscal program which I have submitted to you for your consideration and approval.