

With all this, then, it has been possible for us to carry on State operations, with an orderly increase in State activities commensurate with the needs of the times, without an adjustment of the tax structure or an increase in the tax rate.

You will observe that the budget which I am submitting to you today, totaling \$883,046,701 in all funds, \$435,583,826 in general funds, increases expenditures substantially over the budget for the current year, and indeed is the largest budget in the history of the State. This, in my judgment, is a healthy sign, reflecting as it does the growth of our State, the prosperity of our people and the determination of Marylanders to remain in the forefront of the march of progress. The essential services of health, education and welfare — services which affect directly the lives of our citizens — as usual account for most of the increases in expenditures which we have had to allow. For example, of the total general fund increase of \$60,335,808 recommended for fiscal 1967, 37.9 per cent is allotted to education and related purposes, 21.5 per cent for health, hospitals and mental hygiene, and 12.7 per cent for public welfare, training schools and camps.

The enormous increase in the population of our State — one of the fastest growing in the entire country — accounts for most of the increase in the cost of government, affecting as it does almost every category of appropriation. For example, the population explosion will increase public school and college enrollments by an estimated 38,085 next year over the current school year. It also increases populations in other State institutions, such as hospitals, prisons, training schools and so on. Moreover, apparent to all of us is the desire of Americans to have more, to live better. This means, among other things, demands for higher salaries, for greater security through retirement and social security provisions, for more recreational facilities and for more time to enjoy them.

Affecting this budget as no other budget before is the tremendous increase in Federal aid for health, education and welfare under the Great Society programs. These will be cited in more detail later in the message, but just let me say now that it is my thought that Marylanders must be given every advantage under these programs, including Medicare of which provision is made in this budget for Maryland's full participation.

This session of the General Assembly will be called upon to consider the Cooper-Hughes tax report. The original basis for this report was a study made by the Commission on State and County