

to exempt as taxable income "operating revenues (less related expenses) of railroads, other public utilities and contract carriers," which it is estimated costs the State treasury annually approximately \$400,000.00 in revenue. These items are mentioned not to criticize what was done in 1943, but to emphasize the necessity of closely watching legislation adversely affecting State revenues. If we had run into adverse rather than favorable economic conditions in the fiscal years 1944 and 1945 the loss of revenues occasioned by the passage of the two Acts of 1944 would have seriously embarrassed our financial picture.

While there are other items in our fiscal set-up which could be made the subject of interesting comment in this letter, I shall conclude my remarks at this point in the hope that you will find it possible to review this report carefully as time and opportunity permit, and I want to assure you that I shall welcome any inquiries for explanation of information in the report or for any assistance it might be possible to give in helping you get a satisfactory understanding of the State's fiscal condition.

Respectfully submitted,

J. MILLARD TAWES,  
Comptroller.