

The practice of mortgaging the future by borrowing to meet current charges is fundamentally unsound and will inevitably lead to extravagance and waste. We should not resort to it. This phase of the State's fiscal affairs and policies should be carefully outlined and I, therefore, earnestly recommend that any additional State loans be restricted to actual capital expenditures. If the proposed construction loan of \$3,368,000.00 is kept within the total which I have recommended, it will result in a *net reduction* in the total Bonded Indebtedness of the State of \$9,671,000.00 by September 30, 1941.

PROPOSED "GENERAL BOND ISSUE OF 1939"

	Issue of August 1939	Issue of February 1940	Issue of August 1940
The Proposed "General Bond Issue of 1939" to be distributed and apportioned as to time of issue as follows:			
To the Hall of Records—for extension of dark room and equipment	\$15,000.00		
To the Military Department—for repairs, alterations and additions to armories located throughout the State, and at the State Reservation, Cascade, Washington County, \$110,000.00		\$55,000.00	\$55,000.00
To the Maryland Tuberculosis Sanatorium—for additions to employees' quarters and hospital and new Recreation Hall for colored patients at Henryton providing for 100 additional beds and for new hospital equipment \$128,000.00. For additions to hospital and operating room equipment at Mt. Wilson, and to provide 40 additional beds, \$51,000.00. Addition for extension of city water supply system at Eastern Shore Branch, Salisbury, \$4,000.00	55,000.00		128,000.00
To Crownsville State Hospital—for additional buildings for patients, and for service facilities and quarters for personnel, aggregating \$500,000.00		250,000.00	250,000.00
To Eastern Shore State Hospital—for the equipment for building already completed, \$11,000.00; for alterations and additions to administration building to provide for laboratories and equipment of same, \$30,000.00; for finishing the basement in new dormitory building, \$3,000.00; for sewerage disposal plant, \$25,000.00; for construction and equipment of cottage for assistant physician, \$4,500.00; and for other miscellaneous improvements, including equipment and buildings, \$4,500.00, aggregating \$78,000.00	78,000.00		
To Rosewood State Training School—for enlarging water supply sys-			