

but at the close of the fiscal year over and above its expenses to care for its loans, thereby relieving the taxpayer of this burden; hence the low tax rate for 1907 and 1908; but that time has passed and we are confronted with the very serious condition of our revenues not being sufficient for our necessities. Had it not been for the very free use of the Executive veto by the present Governor and his immediate predecessor, our financial condition today would be far from comfortable. Of course this in no manner affects our bonded obligation or the revenues to the public schools, since they are cared for by direct taxation, but it has a very serious bearing upon the appropriations that shall come before your honorable bodies. \* \* \* \*

“Let me urge upon you the strictest economy. The condition of the Treasury, as it has been my endeavor to show, will not stand any further strain, and I view with alarm the demands that are now being agitated for increased appropriations and bond issues. We are going through a period of contraction and not expansion. Our tax rate is now so high as to be burdensome, and any additional increase should be most seriously considered, if considered at all. \* \* \* \*

“I cannot close this report without again calling attention to the fact that unless additional revenues are derived from some other sources than are now in view, the ordinary receipts of the State will not stand even the additional demands that now seem unavoidable in order to carry to successful completion the work already under way, or the obligations already assumed by the State, and even these obligations cannot be met or maintained except by the exercise of the greatest economy and care of those entrusted with the expenditure of the State's money.”

#### DISBURSEMENTS.

In Statement “B” will be found the disbursements by the State, given in detail, showing the character, amounts and the Acts of Assembly authorizing the same, aggregating \$12,999,561.18, leaving a balance in the Treasury proper September 30th, 1914, of \$1,076,962.19. These expenditures are the largest ever made by the State, while the balance carried down is the smallest for years. It is true that these disbursements were largely increased by bond issues, but it is equally true that this alone does