

Teachers' College, Frostburg, \$100,000.00		100,000.00	
For new gymnasium building and equipment of same at State Teachers' College, Towson, \$100,000.00	100,000.00		
To Maryland State School for the Deaf—for improvements to plumbing facilities and fireproofing stairways and other equipment, \$14,000.00	14,000.00		
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Total For General Construction	\$1,490,000.00	\$705,000.00	\$1,173,000.00

It has been my firm conviction that State taxes on real estate ought not be increased except in unusual emergencies. Because of the heavy burdens already assumed by agricultural and business interests through real estate taxes as well as the heavy obligations being paid by residential and other property owners of the State, I repeatedly emphasized the desirability of avoiding any increase in real estate taxes at this time and of working toward their reduction in the future. This promise was made by me in the campaign and I intend to fulfill it.

I am pleased to announce that the creation of additional bonded indebtedness which I now recommend will not necessitate any increase in the present tax rate.

In view of the present condition of the Bond Annuity Account and the Comptroller's estimate of the normal increase in revenues which will accrue to this account from the present State levy, the budget which I am submitting will call for no increase in our present rate of 23.35 cents.

II

Recommended Appropriations

It is unnecessary and would be unduly burdensome for me to discuss each of the many recommended appropriations in the budget, but I should discuss with you particularly the larger and more important ones.

(1) Public Schools

	1940	1941	
Amount Requested	\$6,501,117.00	\$6,638,545.00	
Recommended Allowance	5,980,947.00	6,497,944.00	
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Reduction	\$520,170.00	\$140,601.00	
Total Reduction			\$660,771.00
Increase of Recommended Allowance over 1938 and 1939, respectively	\$294,814.00	\$693,592.00	
Total—Increase over 1938-1939.....			\$988,406.00

A major portion of this increase is accounted for by the inclusion in the recommended allowance of *\$600,000.00 for 1940 and *\$600,000.00 for 1941 to the Teachers' Retirement System, which were paid from borrowed money in 1938 and 1939, and, therefore, are not included in the Budgets for those years.

*Less \$492,002.00 in 1940 and \$102,501.00 in 1941, representing total refund to the State System by the Baltimore City Teachers' Retirement System for previous overpayments extending over a number of years.