

		Issue of August 1941	Issue of February 1942	Issue of August 1942
Baltimore				
Addition to Nurses' Home	65,000.00			
Princess Anne				
Equipment and improvements	35,000.00			
Total	\$200,000.00	65,000.00	35,000.00	100,000.00
For Chronic Disease Hospitals (Contingent upon the passage of legis- lation providing for Chronic Disease Hospitals. This appropriation is made to the State Board of Public Welfare)	\$1,500,000.00		500,000.00	1,000,000.00
To Military Department—for Completing Airport and Naval Militia Building and improvements and re- pairs to Armories throughout the State and Camp Ritchie	100,000.00	50,000.00	50,000.00	
To Commissioner of Motor Vehicles—for Addition to present building	225,000.00		100,000.00	125,000.00
To Maryland State School for the Deaf— for Improvements and equipment	15,000.00	15,000.00		
To the Board of Public Works—for Improvements to the Court of Appeals Building in Annapolis	75,000.00	75,000.00		
Totals	\$4,172,000.00	\$659,000.00	\$1,407,000.00	\$2,106,000.00

The various Departments, agencies and officials of the State requested that I recommend for new construction and other capital outlays the very large amount of \$10,012,118.00. Obviously it was not possible to recommend a sum this large. I have carefully reviewed all of the requests for capital improvements and have selected those items which I feel to be necessary for the proper conduct of our State Institutions and Departments. As I have indicated above, the bond issue recommended totals \$4,172,000.00, so that I have reduced requests for capital improvements by \$5,840,119.00.

The amounts allotted to the various institutions and departments are set forth in the above table with an explanation of the purpose for which the funds are to be used. A summary of the fiscal operations for the next two years showing the surplus at the beginning of the period, revenues and disbursements for each of the two fiscal years, amounts set aside for tax reduction, and surplus as of September 30th, 1943, will be found in the budget book.

The plan herewith suggested will provide additional working fund needed by the Comptroller, including the amount necessary to finance payment of the income tax in quarterly installments. A margin, which I believe to be safe, will also remain to absorb any probable decline in revenues. We should remember that, while the financial condition of the State is extraordinarily sound, we are living in a world of large uncertainties and no one can foretell the events of the next two years and the effect on our own Country and our own State.

I am gratified to be able to recommend the reduction in the real estate tax from 23.35¢, in two steps, to 21¢. This is made possible in spite of the fact that it is necessary to issue, during the next two years, bonds amounting to \$4,172,000.00 in order to provide necessary construction at the various State