

lative representatives to Annapolis, the citizens who pay the bills have a right to know what has happened, and it is with this one purpose in mind that I come before the microphone this evening as Chief Executive of the State, to report to you just what I think has been achieved during this recent legislative period.

Allow me to begin with an analysis of all-importance.

Fiscal Situation

The most vital and far-reaching problem that faced this State three months ago was that of re-establishing the State's finances on a sound foundation. To do this involved the consideration and fulfillment of seven separate and distinct major undertakings. Each of the seven presented in itself many perplexities, but the accomplishment of each was essential to the success of the whole, namely, a comprehensive program to place the finances of the State on a continually sound basis. These seven undertakings were:

1—The adoption of a budget which would appropriate sufficient funds to meet all actual Governmental necessities without impairing any of the essential functions of the State, but which would, at the same time, limit appropriations to the extent that it would demand of all State officers, heads of departments, Institutions and State Agencies the practice of a most rigid economy in the administration of their respective duties during the next two fiscal years.

2—Abandonment of the pernicious practice of borrowing to defray the cost of many of the normal and current functions of State Government.

3—Complete restoration, for use in the badly needed expansion and improvement of State Roads, of the huge sum of \$3,800,000.00 a year which has, for a number of years, been diverted to meeting the cost of other unrelated normal Governmental functions.

4—Full recognition of the obligation of the State to adopt and support an effective long-range program of providing old age assistance, aid to dependent children, general public assistance and other activities related to public welfare by including the cost of such support in the regular budget adopted by the Legislature. This called for a discontinuance of the former slipshod method of supporting these activities from year to year by a constantly changing series of special taxes of a temporary nature which, because of the frequency of the changes in their form, left the taxpayers of the State in a constant state of anxiety and uncertainty.

5—The adoption of a tax program which would insure sufficient revenue to balance the budget, and not impair the continuance of the normal working fund of at least \$1,500,000.00 essential to the prompt and proper conduct of the many activities of the State. In short, a tax program, not only adequate to maintain a balanced budget, and support the credit and financial stability of the State, but which would distribute the burden fairly among the taxpayers of the State.

6—The establishment of a permanent Bureau of Budget Control, with ample authority and facilities to collaborate intelligently and effectively with the Governor and the Board of Public Works in close supervision of the expenditures of the several State Departments, Institutions and Agencies; to become familiar with the needs and activities of all such Departments, Institutions