

1 MR. DONAHO: It is a cash surplus at the end of
2 the year, but not an appropriation's surplus.

3 MR. LAUBER: If it is a surplus, in the next
4 year you have to raise taxes, I have heard people in the
5 last two years say, we understand the State has \$35,000,000
6 in surplus and they are talking about raising the taxes.
7 Why don't they stop that?

8 MR. DONAHO: The surplus they are talking about
9 is the unappropriated surplus. It is not the cash surplus.
10 The cash surplus is something else. You can go back to the
11 time when they said they were broke and they had so much
12 cash on hand. This State has not had less than \$23,000,000
13 cash on hand since the depression of 1929. There has never
14 been a question of cash or meeting their bills. It has
15 always been a question of the surplus, and that comes out
16 of this -- for example, take the estimating of the reversions

17 I have fought this battle for the State for many
18 years. Jim Rennie, come hell or high water, won't put
19 \$5,000 in there, even though he knows it is going to be
20 two and a half million or three million or four million.

21 THE CHAIRMAN: He blames it on the State