

and the no less critical requirements of a post-war world, without undue strain. Not only are the State's fiscal affairs in the best possible shape, but likewise, the huge Unemployment Compensation Fund, built up over the past few years to the gratifying total of \$128,000,000.00, has weathered the first demands of unemployment in amazing fashion, so that today, twelve weeks after V-J Day, the fund has climbed to approximately \$130,000,000.00, the highest point in its history.

Through an enactment of the 1945 Regular session, the Board of Public Works was empowered to use all or part of any future surplus funds for one of three purposes: namely, to reduce income taxes, to lower property taxes, or to transfer funds to the post-war construction program. As a consequence of an unexpected surplus as of the close of the 1945 fiscal year of approximately \$1,200,000.00, and revised estimates of receipts for the remainder of the current fiscal year running beyond the most optimistic hopes, it was possible to effect reductions in both income and property taxes, as was announced officially just a short time ago.

These new reductions, under which individual taxpayers now will be able to deduct 50 percent of their tax on 1945 incomes, and the State real estate tax will be reduced further to 10¢ per \$100 of assessments, will reflect additional savings of \$1,400,000.00 for our people, and will bring to a grand total of \$24,000,000.00 the reductions which have been made in these two forms of taxes since 1941. The State real property tax is now as low as it has been in the past one hundred years.

In addition, the bonded debt of the State, which was well above \$48,000,000.00 at the beginning of this Administration, is now considerably less than half that amount, and is scheduled for a further decrease to about \$20,000,000.00 by the end of this fiscal year. At the same time, funds to the amount of \$9,000,000.00 have been allocated to the Post-War Construction account, to reduce by that total the amount of new bonds that would be issued to finance the State's important Post-War Capital Improvement Construction program.

As another indication of the State's preparedness to meet any employment problems the next few years may bring, it should be noted that funds totalling \$500,000.00 have been allocated to the Post-War Commission by the Board of Public Works to assist the local governments of the State to program post-war building projects, so that plans and specifications might be completed to permit initiation of actual building whenever employment or other conditions might seem to warrant.

The effect has been remarkable. At present, county, municipal, city and State post-war projects for which plans have been completed or are in process reach a total of \$225,000,000.00, a total, by