

Expenditures have been closely watched and budget amendments have been reduced to a minimum, which undoubtedly has had an important bearing on the substantial reversions of appropriations to the General Treasury at the end of the last fiscal year.

During the next two years, it is planned not only to continue inquiries into the workings of all State Agencies, but also to study their relationship to other State activities and their place in the general governmental structure. It is believed the department has justified itself both in the accumulation of large amounts of detailed information respecting the operation of State Agencies and in the economies in administration which have been effected.

State Insurance Department—Under the capable leadership of Mr. John B. Gontrom, the Insurance Department has set an enviable record of accomplishment during this administration. As of December 12, 1939, there were 2,457,000 policies in force in Maryland Life Insurance Companies, representing \$761,010,153.61 of insurance in force, the reserves upon which aggregated \$77,280,644.64. The Statutes provide that every policy of life, accident, health and hospitalization insurance must be examined and approved by the department before any such policy may be issued in this State. The number of policies, supplemental contracts, riders and endorsements requiring such approval, approximates five thousand in number each year. Not the least of this department's accomplishments has been the creation of an insurance clinic to advise policy holders.

To December 1, 1940, there were approximately 3,000 fires reported to the department as having occurred in the counties of the State, entailing aggregate total losses paid of approximately \$1,500,000.00.

At the request of the Department of Public Welfare the department is making inspections of all institutions licensed for the care of aged and children. The Fire Marshal's Department has been active in investigating fires of suspicious origin. Up to December 1st, 1940, the Arson investigators checked seventy-one fires of suspicious origin. They inspected 120 schools, hospitals, homes, etc. Twenty-six orders of condemnation proceedings of buildings in dangerous condition were inaugurated. Educational films were shown to approximately 70,000 persons, and twelve hearings were held on fire investigations and evidence submitted to the State's Attorney for grand jury action.

A State-wide safety code has been prepared and much constructive work along the lines of fire prevention has been accomplished.

The annual statements of fifty-three domestic companies were audited and those of 563 foreign and alien companies inspected.

State Tax Commission—The function of this department is to approve certificates of corporations and amendments thereto, to collect recording fees, to assess tangible personal property of certain business corporations, and the stock of others; the franchise taxes of Maryland and foreign corporations and the gross receipts taxes of certain public service corporations; and to dissolve or revive Maryland corporations. In addition, the Commission has general supervision of the administration of the assessment and tax laws of the State and of each county and city within the State.

By the Acts of 1937 and 1939, the duty was imposed on the Commission to hear appeals on the income tax cases and by the Acts of 1939, it became the