

and Agencies, and to make specific recommendations to the Governor—looking towards the elimination of waste, extravagance and inefficiency in administration; and granting to the Governor the power to prevent needless or extravagant expenditures.

7—To bring about a substantial reduction during the next two years in the bonded indebtedness of the State, to restrict the creation of new debt to capital needs.

Each of these seven undertakings is an integral part of the comprehensive program devised to establish the finances of the State on a solid, lasting basis. And I am highly gratified that, as a result of the cooperation between the Legislature and Executive branches of your State Government, the program in its entirety has been adopted. As a result the credit and financial stability of Maryland has thus been definitely re-established. To summarize briefly—

1—Maryland will have a balanced budget during the ensuing biennium for the first time in many years.

2—More than \$750,000.00 a year of unnecessary expenditures have been eliminated.

3—Approximately \$3,800,000.00 a year of gasoline tax funds have been restored to use on the State highways.

4—Maryland has forsaken the slothful habit of borrowing to meet current charges and is now on a pay-as-you-go basis.

5—Maryland now has a modern and effective system of Budgetary control.

6—By September 30, 1941, the total Bonded Indebtedness of the State will reflect a net reduction of approximately \$9,000,000.00.

7—There will be no increase in the State Tax Rate.

All of this has been accomplished while, at the same time, we have provided \$5,000,000.00 for relief, which amount has been declared to be adequate by relief authorities. Furthermore, at the same time, we have provided large amounts needed for agricultural pursuits in order to assist the farmers, planters, growers and poultrymen of our State. These latter projects were urgently requested by the Farm Bureau and by the Grange and I am happy to report that, under this administration, more assistance will be given to these deserving purposes than ever before in the history of Maryland. In addition, there will now be available for road construction and maintenance all of the money which has been saved for this purpose by stopping the practice of gasoline tax diversion. As a result of this stoppage, the State from now on will have more money to spend on its roads than ever before in its history. Maryland's highways henceforth will be classed among the best in the country.

Judicial System

For many months prior to my inauguration I had declared that the people of Maryland deserve to have improvement in the Judicial machinery, particularly in the Magistrates' system, and that, if well-considered changes were made, our State would receive lasting benefits. For generations the evils of the fee system, in vogue in this State, have shocked our people; and in recent years there have been many serious abuses on the part of justices throughout the State that brought discredit upon the Judicial system. We have seen the