

Office of Defense Transportation on Wednesday night, when he asserted that no State in the Union has cooperated more closely than had Maryland. It certainly seems like common sense to continue an Administration that is familiar with the various phases of the war effort, rather than to place these grave responsibilities in the hands of inexperienced and untried persons, who would be required to spend months in bringing themselves up to date and who then would be out of sympathy with the National Administration.

Fortunately, Maryland is in a strong financial position to meet any contingency which may arise. Our financial house is in order. Contrast the present situation today with that which existed four years ago under Republican rule. I said "Republican rule". Rather I should have said "misrule."

For, during those four Republican years the State had NO LEADERSHIP in their party; NO POLICY in its financing; its credit had been lowered appreciably because of the failure to conduct a business-like administration. During that period, the State had lived largely on borrowed monies, and on millions of gasoline tax monies, dedicated by law to the construction and maintenance of roads, but diverted by them for current expenses.

This unbusinesslike and disgraceful situation had developed in the State's affairs because the Republican Party, the same Party that now is attempting to get back into the saddle, either HAD NOT the CAPACITY to determine what the State must do to better its financial condition, or they had not the courage to assist upon a system of taxation that would have enabled the State to pay its bills, and to stop mortgaging the future of our citizens.

If you will recall, during the campaign of four years ago, I continually stressed these failings, and warned that the State must do an about-face if she were to be able to hold up her head among the other states of the Country. I told the voters at that time that the only way this could be accomplished was by raising sufficient tax revenues to pay the State's bills, and I pledged myself, if elected, to propose such taxes as would be needed to put the State on an even keel.

No one can deny that these corrective promises were fulfilled, to the extent that Maryland's credit now has been restored and recently our bonds sold at a record-breaking price. Not only have we insisted during this Administration that income be provided before expenditures are permitted, but we have exercised close supervision of expenditures, and economy, with the result that more than \$2,500,000 have been reverted to the Treasury from unspent appropriations. As of September 30th, the State had an unencumbered cash surplus of approximately \$9,000,000. During these four years the bonded debt has been reduced \$12,000,000, or 25% of the total.

The excellent condition of our finances made it possible for us to reduce the State tax rate to the lowest point since the Civil War. Furthermore, the excellent condition of the State's finances will make it possible to reduce substantially the income taxes at this Legislature. I announced several months ago that a 20 or 25% reduction would be justified. Since that time developments in the State's affairs have borne out my predictions and, in fact, it appears now that we will be able to make even a bigger reduction.