

\$27,448,880.55, and while the State issued during the year, new loans, aggregating \$2,000,000, nevertheless by reason of the redemption of certain loans the gross debt was only increased by \$1,163,000,

1916			
Oct. 1, Gross Debt - - - - -	\$26,285,880.55		
Issued during year:			
Three Million Dollar Loan of			
1916 — balance - - - - -	1,500,000.00		
War Loan of 1917 - - - - -	500,000.00	\$28,285,880.55	
Redeemed:			
State Loan of 1902 - - - - -	\$ 600,000.00		
Omnibus Loan, Series "A" - -	57,000.00		
State Roads Loan of 1914, Ser-			
ies "A" - - - - -	180,000.00	837,000.00	
Gross debt Sept. 30, 1917 -		\$27,448,880.55	
Less Stock, Bonds and Cash to			
credit of Sinking Funds - - - -	\$ 7,292,897.67		
Mortgage of Northern Central			
Railway Company - - - - -	1,500,000.00	8,792,897.67	
Net debt - - - - -		\$18,655,982.88	

By reason of the investments in the Sinking Funds, this net debt shows an increase for the year of only \$886,368.92, notwithstanding new loans were issued for a like period of \$2,000,000 as above shown.

TO STANDARDIZE COST OF GOVERNMENT.

I have had in mind for a number of years that the cost of government could be standardized, and it was my purpose, during my term of office, to make an effort to carry this idea into effect. The experience of the past two years has confirmed the view which I have previously held, and I am convinced that the cost of government can be almost accurately determined in the various States of the Union.

Under the most favorable circumstances, there will be differences in the cost of government just as there are differences in the expenditures of individuals. Those States whose revenues are large will perhaps be more liberal in their expenditures than States whose incomes are limited, but the main point to have in