

I am also calling your attention to the bonds of the State issued since the Session of 1918, viz:—

Road Loan of 1918, Chap. 295, of 1918.	
Sold Aug. 15, 1918.....	\$1,500,000.00
State Loan of 1918, Chap. 298, of 1918.	
Sold Aug. 15, 1918.....	1,000,000.00
Road Loan of 1918, Chap. 295, of 1918.	
Sold Feb. 15, 1919.....	1,500,000.00
Total	<u>\$4,000,000.00</u>

The fiscal year 1919 is unique in the fiscal affairs of this State, inasmuch as it marks the establishment of the Budget System. Like all important changes and the inauguration of any new system, some difficulties were at first encountered as to its adoption and proper interpretation, but it has always been my endeavor to administer its provisions with the utmost fairness to all concerned, and it is a pleasure to record the assistance given me by all State Departments. I am respectfully calling your attention to the tables in this report, showing in detail its operations.

I take this occasion to briefly call your attention to what I believe is the most necessary thing in public life today, viz: Economy. The cost of government to the citizens of the United States is so enormous that, from my view point, the present high cost of living is, to a great extent, caused by this condition.

It is estimated that more than five billions of dollars will be needed for the Federal government in 1920. This means fifty dollars per capita for the people of the United States. The cost of government in the State is approximately seven dollars per capita. The average cost of government in the counties will approximate six dollars and in the municipalities of Maryland, exclusive of Baltimore City, the cost will reach, in the larger municipalities, from five to twelve dollars per capita, so that the average cost of government to the people of Maryland is approximately seventy to seventy-two dollars per capita.