

*The Manufacturing Department.*

This department is devoted to the manufacture of plaid cottons, with a few linseys and coarse carpets, and the committee regret to report it in a very depressed condition. At no time has it been a source of much revenue to the institution, arising from the inability of hand loom labor to compete successfully with power looms; still, the superior quality of its manufactured goods and their wide-spread reputation has heretofore insured their immediate sale, but the embarrassment growing out of the blockade of the Southern States has produced the same results as in the case of Mr. Murdoch; nearly all the yarns used are the product of Southern mills, while the manufactured goods find a market exclusively in the Slave States. The consequence is, that no sales have been made by the Directors for the past three months, and none of any consequence can be made until the Southern markets shall be re-opened. No revenue, therefore, can be expected from this department as long as the present unfortunate state of affairs continues to exist. The stock of manufactured goods now on hand amounts to \$10,500, and of materials to \$2,300, which when manufactured will increase the stock of goods to \$15,000, all of which, in ordinary times, could be made available to pay the debts and expenses of the institution.

The committee, after a patient and thorough investigation of this branch of the subject, are satisfied that the entire system of labor at the institution is wrong, and demands a radical change, as at present conducted, it must always be, as it has been, a heavy burden on the State. It has not been furnished by the State with the cash capital necessary to carry on successfully a manufacturing business, its operations are, necessarily on a credit basis, and the disadvantages of this system may be illustrated by the single fact that it has paid during the last five years the sum of \$13015 for interest alone, to say nothing of the increased cost of supplies when purchased on credit, and the saving of the discount which always accompany cash payments.

A careful analysis of the operations of this department for the past five years exhibits the fact that the nett earnings of all the convicts employed by the institution average but eleven cents per day, and this without making any allowance for cost and depreciation of machinery, while about the same number of convicts employed by the contractors at 50 cents per day gave a revenue of \$28,800 for labor, and \$700 for rent of work shops. It is true that the labor employed by the latter was of better quality, but that would account for but a small portion of the difference.