

Under the prudent and economical administration of the present board it will be seen by their reports for 1862, that notwithstanding the increased cost of most of their articles of consumption, the expenses of the Institution for that year were diminished by upwards of \$1,000. I am informed that the Institution at the close of the last year was out of debt, and has a balance to its credit of nearly three thousand dollars. This result has been chiefly attained by a change in its system of labor, and instead of manufacturing on its own account hiring its inmates to contractors at fixed prices.

The change has been already found most beneficial to the interests of the Institution, and there is every reason to believe that when it is more thoroughly inaugurated, it will enable the establishment hereafter to support itself. The successful operation of the new system will require, as I am told, some additional work shops, and I would recommend that the Directors may be allowed to use the balance on hand for that purpose instead of paying it into the Treasury of the State as they are at present required to do. To expedite the building of the new shops required and facilitate thereby the operations of the new system, it would, I think, be advisable to make a small additional appropriation, the necessary amount of which will probably be indicated in the forthcoming report of the Directors.

The necessity of making some provision for insane inmates of the Penitentiary has frequently been brought to the attention of former Legislatures. According to the last information received on this subject, there were lately confined there some seven or eight individuals of this description, who from considerations of humanity as well as for the interests of the Institution should be disposed of in some other manner.

The law makes provision for parties who, when on trial for an offence are found by the Jury to be insane or lunatic, by ordering them to be sent to the Alms House of the county where the offence was committed, and there would seem to be no reason why, on the suggestion of Officers of the Penitentiary, that persons in that condition are there confined, some neighboring court might not be authorized to order a Jury to enquire into that fact, and on their verdict or advice, make a similar disposition of them. Until the Hospital for the insane is completed, I can suggest no better remedy for the existing evil and would, therefore, recommend the passage of an act to that effect.

#### CONSTITUTIONAL CONVENTION.

I would now call to your attention a subject which, although among the last submitted, stands prominently forth among the first in importance.